REVENU QUÉBEC

Income Tax Payable by a SIFT Partnership

This form is intended for specified investment flow-through partnerships (SIFT partnerships) that have an establishment in Québec and must pay, for their fiscal period, income tax (under Part III.17 of the *Taxation Act*) on their taxable non-portfolio earnings.

This form is also used to calculate the portion of the taxable non-portfolio earnings that is deemed to be eligible dividends that the SIFT partnership must allocate to its members.

A partnership is deemed to be a SIFT partnership for a fiscal period if it has the following characteristics:

- It is a Canadian resident partnership.[1]
- The investments in the partnership are listed or traded on a stock exchange or other public market.
- The partnership holds one or more non-portfolio properties.[2]

However, the partnership must not be an excluded subsidiary[3] for the year.

Enclose this form with the *Partnership Information Return* (form TP-600-V). The income tax payable must be paid by the filing deadline for the return. Any unpaid balance after the deadline will bear interest at the prescribed rate. For more information, consult the *Guide to Filing the Partnership Information Return* (TP-600.G-V).

Note

A SIFT partnership may have to pay income tax in monthly instalments by the last day of each month of its fiscal period if its estimated income tax payable for the fiscal period and the income tax payable for the previous period both exceed $3,000.

1 Information about the partnership

01a Québec enterprise number (NEQ)

01b Identification number

File **SP 0001**

02 Name of partnership

05 End date of fiscal period Y M D

2 Taxable non-portfolio earnings

On lines 1 through 4, enter the income derived from a business that the partnership operates in Canada, as well as the income derived from non-portfolio property.

Net business income		1	
Net rental income	+	2	
Investment income other than dividends	+	3	
Net capital gains from the disposition of non-portfolio property	+	4	
Add lines 1 through 4. **Total non-portfolio earnings**	=	5	
Net income determined as if the partnership were a taxpayer[4]		8	
Enter the amount from line 5 or line 8, whichever is less. **Taxable non-portfolio earnings**		9	

3 Income tax rate

Calendar year ending in the fiscal period[5] 15 Calendar year after the year entered on line 15 16

Rate applicable to the calendar year entered on line 15[6] 17 . % × Number of days in the calendar year entered on line 15 that are included in the fiscal period 18 / Number of days in the fiscal period 19 ▶ 20 . %

Rate applicable to the calendar year entered on line 16[7] 21 . % × Number of days in the calendar year entered on line 16 that are included in the fiscal period 22 / Number of days in the fiscal period 23 ▶ + 24 . %

Add lines 20 and 24. **Income tax rate** = 25 . %

4 Income tax payable on taxable non-portfolio earnings

Taxable non-portfolio earnings (amount from line 9)		30	
Income tax rate (rate from line 25)	×	31	%
Multiply line 30 by line 31.	=	32	
Enter the percentage of business carried on in Québec by the partnership if it has an establishment in Québec and another elsewhere. Form CO-771.R.3, *Répartition des affaires faites au Québec et ailleurs*, must be used to calculate this percentage, as if the partnership were a corporation. Otherwise, enter 100%.	×	33	%
Multiply line 32 by line 33. **Income tax payable on taxable non-portfolio earnings**	=	34	
Income tax paid in instalments	–	35	
Subtract line 35 from line 34. **Balance due**	=	36	
Make your payment by cheque or money order payable to the Minister of Revenue of Québec. ▶ **Amount enclosed**		37	

5 Eligible dividends to be allocated to members

Taxable non-portfolio earnings (line 9)					40	
Income tax payable on taxable non-portfolio earnings (line 34)		41				
Federal income tax payable by the SIFT partnership	+	42				
Add lines 41 and 42.	=			– ▶	43	
Subtract line 43 from line 40. **Eligible dividends to be allocated to members**				=	44	

The share of each member of the partnership in the amount on line 44 must be added to the amount entered on line 6a of the RL-15 slip that the partnership filed for each member.

Notes

1. A Canadian resident partnership is a partnership all of the members of which are resident in Canada, a partnership formed under the laws of a province, or, in the case of a partnership that has its central management and control in Canada, a partnership that would be considered resident in Canada if it were a corporation.
2. "Non-portfolio property" means property held by a SIFT partnership that consists of:
   - securities issued by a subject entity (other than a portfolio investment entity) if, as applicable:
     – the fair market value (FMV) of the securities is greater than 10% of the equity value of the subject entity, or
     – the total FMV of the subject entity's securities, together with all of the securities held by the partnership that are issued by entities affiliated with the subject entity, is greater than 50% of the partnership's equity value;
   - Canadian real, immovable or resource property, if the property's FMV is greater than 50% of the partnership's equity value; or
   - property that the partnership, or a person or partnership with whom the partnership is not dealing at arm's length, uses in the course of carrying on a business in Canada.

   "Subject entity" means a corporation or a trust resident in Canada, a Canadian resident partnership, or a person or partnership that is not resident in Canada but whose principal source of income is one or more sources in Canada.

   "Portfolio investment entity" means an entity that does not hold any non-portfolio property.
3. "Excluded subsidiary entity" means, for a given taxation year, an entity the equity (shares of its capital stock, where the entity is a corporation; income or capital interests, where the entity is a trust; or interests held by its members, where the entity is a partnership) or equity-like liabilities of which:
   - are not listed or traded on a stock exchange or other public market at any time during the year;
   - are held exclusively by:
     – a real estate investment trust (REIT),
     – a taxable Canadian corporation,
     – a SIFT trust,
     – a SIFT partnership,
     – a person or partnership that, with respect to the holding of a security of the entity, does not own any property whose value is based on a security listed on a stock exchange or traded on another public market, or
     – any other excluded subsidiary entity for the taxation year.
4. Calculate the net income in accordance with section 28 of the *Taxation Act*, as though the SIFT partnership were required to pay income tax under Part I of the Act and paragraph d) of section 600 did not apply.
5. If no calendar year ends in the fiscal period (because the fiscal period is shorter, for example), enter on line 15 the calendar year in which the fiscal period ends. If the fiscal period coincides with the calendar year, enter the calendar year on line 15. In both cases, leave line 16 blank.
6. Enter the applicable rate from the table below.

Calendar year	Basic tax rate
2016 or earlier	11.9%
2017	11.8%
2018	11.7%
2019	11.6%
2020	11.5%

   If no calendar year ends in the fiscal period (because the fiscal period is shorter, for example), enter on line 25 the applicable rate for the calendar year in which the fiscal period ends. If the fiscal period coincides with the calendar year, enter the applicable rate for the calendar year on line 25.
7. See the table in note 6.