REVENU QUÉBEC

Detailed QST Calculation and Return Respecting Taxable Immovables or Taxable Carbon Emission Allowances

General Information

Complete form VDZ-471.CD-V, *Detailed QST Calculation and Return Respecting Taxable Immovables or Taxable Carbon Emission Allowances*, if you are registered for the Québec sales tax (QST) and required to file a *QST Return* (form VDZ-471-V). Use it to calculate the QST and input tax refunds (ITRs) for the reporting period in question and to report instalment payments made and any QST adjustments. This form is also used to report the QST related to the acquisition of a taxable immovable or taxable carbon emission allowances.

The information in this document does not constitute a legal interpretation of the *Act respecting the Québec sales tax* or its regulations. Consult the Act when necessary.

For information about the QST or quick methods of accounting, see *General Information Concerning the QST and the GST/HST* (IN-203-V) or visit our website, at **revenuquebec.ca**. You can also call our client services at 418 659-4692 (in the Québec City area), at 514 873-4692 (in the Montréal area) or, toll-free, at 1 800 567-4692.

Penalties and interest

Under the *Tax Administration Act*, if you neglect to file a return as and when prescribed by a fiscal law, you are liable to a penalty of $25 for each day the failure continues, to a maximum of $2,500. In addition, if you neglect to collect an amount, you are liable to a penalty equal to 15% of the amount. If you neglect to pay or remit an amount within the prescribed time period, you are liable to a penalty at the rate of 7% for the first seven days the payment is late, 11% for the 8th to 14th day the payment is late and 15% as of the 15th day the payment is late. Furthermore, interest is charged at the rate set by regulation on all outstanding amounts.

Filing a false return is a penal offence rendering the offender liable to legal action.

Recordkeeping

If you carry on a business or are required to withhold or collect an amount under a fiscal law, you are required to keep registers and books of account and to take an annual inventory. The registers and books of account, along with any supporting documents, must be kept for six years after the last taxation year to which they pertain. In addition, all digital or electronic registers must remain readable for the retention period. You must also take the necessary steps to ensure and maintain their integrity throughout their lifecycle. Failure to meet these obligations is a penal offence rendering the offender liable to legal action.

Signature

Returns must be signed by the registrant or by the registrant's authorized representative.

Privacy

Any personal information provided in form VDZ-471.CD-V is protected under the *Tax Administration Act*.

Part 1 – Detailed QST calculation for the reporting period

Complete Part 1 of form VDZ-471.CD-V to calculate the QST and ITRs, and to report instalment payments made and any QST adjustments.

Instructions

Line 201 – Enter the total value (GST/HST and QST excluded) of the property and services you supplied. As a rule, this amount must correspond to the sales figure entered in your books of account.

If you use the Quick Method of Accounting, the amount must include the QST.

Line 203 – The QST collectible corresponds to the total QST that you collected, that is payable to you, or that you are considered to have collected for the reporting period. Also include the total QST payable on any taxable property and services brought into Québec on which QST must be paid, as well as the amounts of QST collected in error. In addition, include the QST calculated on the self-supply of a residential complex.

Do not include the QST payable for your acquisitions of taxable immovables or taxable emission allowances. You must report it separately (on line 214).

Line 204 – Enter the total of the amounts that can be added to the QST collectible, for the purposes of calculating your net tax for the reporting period. Examples of such amounts include QST derived from the recovery of a bad debt that had been written off or a QST refund claimed previously with respect to property returned to the supplier.

Line 206 – Enter the total of the input tax refunds (ITRs) claimed for the reporting period and any ITRs not claimed during a previous reporting period in respect of your purchases and eligible expenses used to make taxable or zero-rated supplies. You can also include the amount of QST that gives entitlement to an ITR for the acquisition of a taxable immovable or taxable emission allowances (amount from line 214). Do not include the tax paid on purchases and eligible expenses used to make exempt supplies or the QST paid on motor vehicles purchased for resale.

Effective January 1, 2018, large businesses[1] can claim ITRs in respect of property and services that are subject to the ITR restrictions for large businesses as follows:

- 25% for 2018;
- 50% for 2019;
- 75% for 2020;
- 100% for 2021 onward.

You generally have four years in which to claim an ITR.

1. As a rule, a registrant is considered to be a **large business** for a given fiscal year where the total amount of its taxable sales and the sales of its associates for the preceding fiscal year exceeds $10 million.

Line 207 – Enter the total of the amounts that can be added to the ITRs claimed on line 206, such as QST included in a debt that has been written off and QST collected on property subsequently returned by the customer (where the QST was remitted to us), as well as QST credited by a builder, as a QST rebate, to the purchaser of new housing (where the purchaser is an individual). In the latter case, you must enclose the purchaser's rebate application (form FP-2190.C-V, *GST-QST New Housing Rebate Application: Rebate Granted by a Builder*) with your return. You have two years to make an adjustment. Furthermore, this amount must not include QST paid for motor vehicles purchased for resale, which you must recover from your supplier.

You cannot claim the amount on this line again. Furthermore, you must keep all information pertaining to the amount.

If you filed form FP-2074-V, *Election or Revocation of Election Respecting the Quick Method of Accounting*, and obtained written confirmation of your election, you can claim the 1% credit applied to the first $31,421 (including QST) of your taxable supplies for each fiscal year. However, you cannot claim ITRs for your operating expenses.

When a pension entity jointly elects (with the qualifying employers of the pension plan) to transfer all or part of the pension entity's pension rebate to one or more qualifying employers of the pension plan, each qualifying employer can request an adjustment to its QST return for its shared portion. To calculate the adjustment, each employer must complete either Part 5 or Part 6, as applicable, of form FP-4607-V, *GST/HST and QST Pension Entity Rebate Application and Election*.

Line 210 – If you file a return annually and you paid QST in instalments, enter the total of your instalments on this line.

Line 211 – You can enter the rebate you claimed on one of the following forms to reduce an amount payable:

- form FP-2066-V, *GST/HST and QST Public Service Bodies' Rebate Application*;
- form VD-403-V, *General Application for a Québec Sales Tax (QST) Rebate*;
- form VD-370.67-V or form VD-370.89-V, both entitled *New Residential Rental Property QST Rebate*;
- form VD-403.E-V, *Application for a Rebate in Respect of New Motor Vehicles Shipped Outside Québec*; and
- form FP-4607-V, *GST/HST and QST Pension Entity Rebate Application and Election*.

If you enter an amount on line 211, enclose your completed rebate application with your QST return, unless you are required to file your return online, in which case you will have to file the rebate application separately by mail.

You can file some of the above forms with our online service for submitting consumption tax rebate applications, which is available on our website.

Note that you can enter an amount on line 211 of the return only to reduce a positive amount on line 209.

Line 213 – Enter the amount from line 213 in the corresponding box of the detachable part of form VDZ-471-V. Add the amounts in the boxes, taking into account plus (+) and minus (–) signs. If the result is positive, enter it in the "Amount payable" box. If the result is negative, enter it in the "Refund claimed" box.

Part 2 – Return respecting taxable immovables or taxable carbon emission allowances

Complete Part 2 to report the QST related to the acquisition of a taxable immovable or taxable carbon emission allowances to be used or supplied **primarily** (more than 50%) in your commercial activities.

Emission allowances

The term "emission allowances" means an allowance, credit or similar instrument that:

- is issued or created by or on behalf of:
  - a government, a government of a foreign country, a government of a political subdivision of a country, a supranational organization or an international organization (each of which is in this definition referred to as a "regulator"),
  - a board, commission or other body established by a regulator, or
  - an agency of a regulator; **and**
- can be used to satisfy a requirement under a scheme or arrangement that is:
  - implemented by, or on behalf of, a regulator to regulate greenhouse gas emissions, or
  - is a prescribed scheme or arrangement;
- represents a **specific** quantity of greenhouse gas emissions expressed as carbon dioxide equivalent (for example, a metric ton of carbon dioxide equivalent).

An allowance, credit or similar instrument that does not represent a specific quantity of greenhouse gas emissions does not satisfy the third criterion above, even if it otherwise meets the requirements of a scheme that seeks to regulate greenhouse gas emissions. For example, an instrument required to undertake certain manufacturing activities that generate greenhouse gas emissions, but does not represent a specific quantity of emissions, does not meet the third criterion. Furthermore, emission allowances can also be prescribed property. However, no property is currently prescribed by regulation.

Filing deadline

You must file the return (parts 2 and 3 of form VDZ-471.CD-V) no later than one month after the last day of the reporting period or, if you file annually, no later than three months after the end of the business's fiscal year.

If you are an individual in business who has an annual reporting period that ends on December 31, the filing deadline is June 15 of the following year. However, if you have to pay an amount of QST, the payment deadline is April 30.

If the filing deadline for the return falls on a Saturday, Sunday or statutory holiday, your return and payment are deemed to be filed on time if we receive them the following business day.

Date a return is received

Your return is considered to be received on:

- the date of the Revenu Québec stamp if you deliver the return in person; or
- the date of the postmark if you mail the return.

Date a payment is received

Your payment is considered to be received on the date it was made at a financial institution whether the payment was made in person, through the institution's online payment service or at an automated teller machine (ATM).

If the return was mailed with a cheque or money order, your payment is considered to be received on the date of the Revenu Québec stamp. If you make your payment with a postdated cheque, your payment is considered to be received on the date the cheque can be cashed.

If you did not enclose a cheque or money order with the return, your payment is considered to be received on the date on which Revenu Québec stamps the cheque or money order.

Instructions

Line 213 – Enter the amount from line 213 of Part 1, if applicable.

Line 214 – Determine the value of the taxable immovables or emission allowances you acquired for use or supply **primarily** in the course of your commercial activities. Calculate the QST you are required to report and pay by multiplying the value of the immovables or emission allowances by the QST rate in effect at the time of their acquisition.

Enter the result on line 214.

Line 216 – Add lines 213 and 214 and enter the result, taking into account plus (+) and minus (–) signs. Enter the amount from line 216 in box 213 of the detachable part of form VDZ-471-V. Add the amounts in the boxes of that form, taking into account plus (+) and minus (–) signs. If the result is positive, enter it in the "Amount payable" box. If the result is negative, enter it in the "Refund claimed" box.