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# Quebec Budget March 17, 2016



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## **INTRODUCTION**

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Minister of Finance Carlos Leitão tabled today a second consecutive balanced budget and an economic plan containing measures that, in the opinion of the minister, will enable Québec to rise to the challenges of tomorrow by addressing the structural issues that are slowing its economic growth.

“We have gotten our fiscal house in order and laid a solid foundation on which to build our prosperity. We are giving ourselves the means to navigate a changing society and economy alongside all Quebecers”, the Minister said.

**Here are the highlights of the 2016-2017 budget.**

## MEASURES CONCERNING INDIVIDUALS

### Acceleration of the plan to reduce the health contribution

The plan to reduce the health contribution will be abolished in 2018.

The following table illustrates the gradual reduction of the health contribution for the years preceding its elimination.

Adult's income <sup>1</sup>	Health contribution		
	2016 before budget	2016 after budget	2017
0 to 18,570	0	0	0
18,570 to 41,265	0.01 to 100	0.01 to 50	0
41,265 to 134,095	100.01 to 200	50.01 to 175	0.01 to 70
134,095 and more	200.01 to 1 000	175.01 to 1 000	70.01 to 800

### Introduction of the RénoVert tax credit

A new refundable tax credit for carrying out eco-friendly home renovations, will be introduced on a temporary basis.

Capped at \$10,000 for an eligible household, financial assistance under the tax credit will correspond to 20% of the portion, in excess of \$2,500, of qualified expenditures paid by an individual before October 1, 2017, to have eco-friendly renovation work carried out.

Briefly, the RénoVert tax credit is for individuals who have a qualified contractor carry out recognized eco-friendly renovation work on their principal place of residence or a cottage under an agreement entered into after March 17, 2016 and before April 1, 2017.

Financial assistance under this tax credit may be combined, as applicable, with that offered for energy-efficient home renovations under the Rénoclimat program.

### Recognized eco-friendly renovation work

Briefly, eco-friendly renovation work recognized for the purposes of the tax credit will pertain to insulation, sealing, doors that access to the exterior, windows, and heating, air conditioning, water heating and ventilation systems, as well as to water quality (unless the eligible dwelling is

<sup>1</sup> The income brackets indicated do not take into account the fact that the thresholds will be automatically indexed on January 1, 2017.

not the individual's principal place of residence) and soil quality, provided the work relates to existing parts of an individual's eligible dwelling.

### Enhancement, for households without children, of the refundable tax credit attributing a work premium

To further increase the incentive to work for households without children, the rate set for the purpose of calculating the maximum amount of the work premiums for this type of household will be raised by two percentage points as of 2016. The rate will therefore increase from 7% to 9%, in the case of the general work premium, and from 9% to 11%, in the case of the adapted work premium for households whose capacity for employment is severely limited.

#### Illustration of the effects for 2016 of the increase in the rate used to calculate the general work premium for households without children

<i>In dollars</i>	Person living alone		
	Before budget	After budget	Difference
Excluded work income	2,400.00	2,400.00	—
Premium rate	7%	9%	2%
Maximum premium <sup>2</sup>	564.48	725.76	161.28
Reduction			
– Reduction threshold	10,464.00	10,464.00	—
– Rate of reduction	10%	10%	—
Cut-off threshold <sup>3</sup>	16,108.80	17,721.60	1,612.80

<i>In dollars</i>	Couple without children		
	Before budget	After budget	Difference
Excluded work income	3,600.00	3,600.00	—
Premium rate	7%	9%	2%
Maximum premium <sup>3</sup>	881.30	1,133.10	251.80
Reduction			
– Reduction threshold	16,190.00	16,190.00	—
– Rate of reduction	10%	10%	—
Cut-off threshold <sup>4</sup>	25,003.00	27,521.00	2,518.00

<sup>2</sup> The maximum work premium was determined by applying the rate of the premium to the amount corresponding to the amount by which the reduction threshold exceeds excluded work income.

<sup>3</sup> Family income as of which a household is no longer eligible for the work premium.

**Illustration of the effects for 2016 of the increase in the rate used to calculate the adapted work premium for households, without children, whose capacity for employment is severely limited**

<i>In dollars</i>	Person living alone		
	Before budget	After budget	Difference
Excluded work income	1,200.00	1,200.00	—
Premium rate	9 %	11%	2%
Maximum premium <sup>4</sup>	1,094.94	1,338.26	243.32
Reduction			
– Reduction threshold	13,366.00	13,366.00	—
– Rate of reduction	10%	10%	—
Cut-off threshold <sup>5</sup>	24,315.40	26,748.60	2,433.20

  

<i>In dollars</i>	Couple without children		
	Before budget	After budget	Difference
Excluded work income	1,200.00	1,200.00	—
Premium rate	9%	11%	2%
Maximum premium <sup>4</sup>	1,641.96	2,006.84	364.88
Reduction			
– Reduction threshold	19,444.00	19,444.00	—
– Rate of reduction	10%	10%	—
Cut-off threshold <sup>5</sup>	35,863.60	39,512.40	3,648.80

**Greater access to the tax shield**

The purpose of the tax shield is to offset, further to an increase in work income, a part of the loss of the socio-fiscal transfers designed to incentivize work, namely, the refundable tax credit attributing a work premium—the general work premium or the adapted work premium for persons whose capacity for employment is severely limited—and the refundable tax credit for childcare expenses.

To enhance the benefits of the tax shield, the maximum increase in eligible work income relative to the previous year will be raised from \$2,500 to \$3,000 as of the 2016 taxation year for each member of a household.

**Improved tax treatment of gifts**

**Elimination of the limit related to income**

The income related limits (generally 75%) for the purpose of calculating the tax credits for gifts will be eliminated as of the 2016 taxation year.

<sup>4</sup> The maximum work premium was determined by applying the rate of the premium to the amount corresponding to the amount by which the reduction threshold exceeds excluded work income.

<sup>5</sup> Family income as of which a household is no longer eligible for the work premium.

**Partial increase of the tax credit rate**

The terms for calculating the tax credit for gifts will be changed, as of the 2017 taxation year, for individuals whose marginal tax rate is higher than 24%.

The maximum amount an individual may claim as a tax credit for gifts for a particular taxation year will be equal to the total of the following amounts:

- > 20% of the lesser of \$200 and the individual's total eligible gifts for the year;
- > 25.75% of the lesser of the following amounts:
  - the amount by which the individual's total eligible gifts for the year exceed \$200,
  - the amount by which the individual's taxable income for the year exceeds the threshold for the year of the fourth tax bracket of the personal income tax table;
- > 24% of the total donations for the year greater than \$200 that are not eligible for the 25.75% rate.

**Lower age of eligibility for the tax credit for experienced workers**

The age of eligibility for the tax credit will be lowered, as of the 2018 taxation year, to 62 years of age. For this new category of workers, the maximum amount of eligible work income on which the tax credit will be calculated is \$4,000.

**Adjustment of maximum eligible work income above the first \$5,000 based on age**

<i>In dollars</i>	Maximum amount of eligible work income		
	2016	2017	As of 2018
Age of experienced worker			
65 years or over	6,000	8,000	10,000
64 years	4,000	6,000	8,000
63 years	—	4,000	6,000
62 years	—	—	4,000

**50% reduction in the additional contribution for childcare for the second child**

Since April 22, 2015, an additional contribution for the care of children in subsidized childcare is applicable based on family income. This contribution is not required for the third and

subsequent children who attend a subsidized childcare service.

The government announces a 50% reduction in the additional contribution for the second child in subsidized childcare.

**Retroactive application of the reduction in the additional contribution**

The 50% reduction in the additional contribution for the second child in subsidized childcare applies retroactively for 2015. Parents must calculate their additional contribution without taking this reduction into account when filing their tax returns for 2015.

Revenu Québec will implement the necessary measures to ensure that the parents concerned by this change can benefit from the reduction in their childcare rate for 2015.

- > Parents whose 2015 tax return is processed before March 17, 2016 will be reimbursed by Revenu Québec.
- > For other parents, Revenu Québec will reduce the additional contribution when processing their tax return and will inform them in the notice of assessment.

**Impact on the federal tax return**

Childcare expenses paid in Québec are eligible for the federal deduction for childcare expenses. Since Revenu Québec will refund a portion of childcare costs after production of the federal income tax return, parents who have benefited from the federal deduction for childcare with regard to the additional contribution could have to contribute again for the 2015 tax year by the Canada Revenue Agency.

**50% reduction in the additional contribution for the second child of a family with two equal incomes – 2015 (in dollars)**

Employment income	Current rate			50% reduction	New rate
	Base rate	Additional contribution	Total		
50,000	7.30	—	7.30	—	7.30
75,000	7.30	0.70	8.00	-0.35	7.65
85,000	7.30	1.86	9.16	-0.93	8.23
100,000	7.30	4.11	11.41	-2.06	9.36
120,000	7.30	7.11	14.41	-3.56	10.86
140,000	7.30	10.11	17.41	-5.06	12.36
150,000	7.30	11.61	18.91	-5.81	13.11
160,000	7.30	12.70	20.00	-6.35	13.65

Note: Since the amounts have been rounded off, they may not add up to the total indicated.

**MEASURES CONCERNING BUSINESSES**

**Reduction of the Health Services Fund contribution rate for all small and medium-sized businesses**

**SMBs in the primary and manufacturing sectors**

The Health Services Fund contribution rate for eligible specified employers will be reduced gradually.

Rates	Total payroll				
	\$1M or less	\$2M	\$3M	\$4M	\$5M or more
2016	1.60	2.27	2.93	3.60	4.26
2017	1.55	2.23	2.91	3.58	4.26
2018 to 2020	1.50	2.19	2.88	3.57	4.26
As of 2021	1.45	2.15	2.86	3.56	4.26

**SMBs in sectors other than primary and manufacturing sectors**

The Health Services Fund contribution rate for employers in sectors other than primary and manufacturing sectors will be reduced gradually.

Rates	Total payroll				
	\$1M or less	\$2M	\$3M	\$4M	\$5M or more
2016	2.70	3.09	3.48	3.87	4.26
2017	2.50	2.94	3.38	3.82	4.26
2018	2.30	2.79	3.28	3.77	4.26
2019	2.15	2.68	3.21	3.73	4.26
2020	2.05	2.60	3.16	3.71	4.26
As of 2021	2.00	2.57	3.13	3.70	4.26

**Adjustment to the refocusing of the SBD on corporations in the primary and manufacturing sectors**

The qualification criterion concerning the minimum number of employees will be replaced by a qualification criterion concerning the minimum number of hours worked.

More specifically, a corporation will meet the qualification criterion for a taxation year concerning the minimum number of hours worked if, as applicable:

- > during the taxation year, its employees worked at least 5,500 hours; or
- > during the previous taxation year, the hours worked by its employees and the employees of the corporations with which it is associated total at least 5,500 (hereinafter, the “previous year consolidated basis test”).

In respect of this criterion:

- > a maximum of 40 hours per week per worker may be considered;
- > the hours worked must be paid at the time the SBD is claimed;
- > the hours worked for a corporation by a person participating in its body of shareholders will also be counted, without regard to whether they are remunerated;
- > the 5,500 hours applying to the current year will be based on a complete taxation year and this threshold will be reduced proportionally in the case of a shorter fiscal period; this proportional reduction will not be applied for the previous year consolidated basis test.

The SBD rate applicable to a corporation for a taxation year will be reduced linearly between 5,500 hours and 5,000 hours, and it will become nil at 5,000 hours or less.

#### **Application date**

Replacement of this qualification criterion will apply for a taxation year beginning after December 31, 2016.

#### **Conditions for easing of the tax provisions applicable to the transfer of family businesses**

As part of the budget speech of March 26, 2015, an easing of the tax provisions applicable to the transfer of family businesses was announced. Several decisions had been made concerning the technical conditions of the easing as well as the type of corporations that would be affected, essentially corporations in the primary and manufacturing sectors. These decisions are maintained integrally.

The easing will result in the non-application of the integrity rule respecting a consideration other than shares, as indicated in the announcement of March 26, 2015.

Briefly, this integrity rule applies where a taxpayer, other than a corporation disposes of shares of any class of the capital stock of a particular corporation to another corporation with which it is not dealing at arm's length and where, immediately after the disposition, the corporation in question is connected to the acquirer.

To be eligible for tax relief, the taxpayers involved in the transfer of a family business, i.e.

the seller and the buyer, will have to meet the following criteria to ensure a real transfer:

- > the seller must have been active in the business before the sale and the buyer must take over the business after the sale;
- > the seller must not have legal control of or common shares in the business after the sale;
- > at the time of transfer, the amount paid by the buyer represents at least 40% of the market value of the business, or 20% for businesses in the farming or fishing sectors.

For the application of the easing, a transfer of a family business will be designated as qualifying, in respect of a taxpayer, where the seven qualification criteria are met.

Here is a summary of the criterion.

#### *Criterion 1*

The taxpayer disposing of the shares concerned is an individual other than a trust.

#### *Criterion 2*

The taxpayer (or the taxpayer's spouse), while he or she held the shares concerned, played an active role in a business carried on by the corporation in question during the 24-month period immediately preceding the disposition of the shares concerned.

#### *Criterion 3*

The taxpayer (or the taxpayer's spouse) does not, after the disposition of the shares concerned, play an active role in a business actively carried on by the acquirer or by the corporation in question, excluding interests aimed at fostering a harmonious transfer.

#### *Criterion 4*

The taxpayer (or the taxpayer's spouse) does not, after the disposition of the shares concerned, have de jure control of the corporation in question and neither the taxpayer nor the taxpayer's spouse belong to a group of persons having the de jure control of such a corporation.

#### *Criterion 5*

The taxpayer (or the taxpayer's spouse) does not hold, after the disposition of the shares concerned, common shares of the corporation in question.

*Criterion 6*

The total fair market value of all the residual financial interests held, after the disposition of the shares concerned by all of the taxpayers benefiting from the easing (as well as their spouse) in a particular corporation must not be greater than 60% (80% in the case of a farming or fishing business) of the fair market value of the aggregate of the issued shares.

In respect of this sixth criterion:

- > the conditions of repayment or redemption (in the case shares) of such financial interest must provide that no later than ten years after the disposition of the shares concerned, that financial interest will be reduced to 30% (50% in the case of a farming or fishing business) of the fair market value of the aggregate of the issued shares;
- > where this residual interest takes the form of shares of a corporation, the following conditions must be met:
  - the taxpayer may not require redemption of the shares before ten years,
  - the shares must give entitlement to a cumulative dividend at a rate not exceeding a reasonable rate according to the market,
  - the dividend rate of the shares may in no case be based on a corporation's level of profitability,
  - the shares must be redeemable at any time at the corporation's option,
  - the shares may be convertible only into shares or debts that meet these conditions or the conditions, described below, applicable to debts, as applicable;
- > where this residual interest takes the form of a debt of the corporation, the following conditions must be met:
  - the taxpayer may not require repayment of the debt before ten years,
  - the debt must give entitlement to a return not exceeding a reasonable return according to the market,
  - the rate of return of the debt may in no case be based on a corporation's level of profitability,

- the debt may be repaid with the accrued interest, but without a penalty, at any time at the corporation's option,
- the debt may be convertible only into debt or shares that meet these conditions or the conditions, described above, applicable to shares, as applicable.

*Criterion 7*

After the disposition of the shares concerned, at least one person participating in the body of shareholders of the acquirer (or the spouse of such a person) plays an active role in carrying on the business carried on by the corporation in question.

**Application date**

The easing will apply to a disposition of shares occurring after March 17, 2016.

**Implementation of an income-averaging mechanism for forest producers**

This mechanism will, for the purposes of income tax and the individual contribution to the Health Services Fund, make it possible to average a portion of the income generated by non-retail sales of timber produced in a private forest for a period not exceeding seven years.

The mechanism will apply to an eligible individual or a qualified corporation which, at the end of a particular taxation year ending after March 17, 2016 and before January 1, 2021, is either a certified forest producer.

Moreover, the owner must hold a certificate as a certified forest producer issued under the *Sustainable Forest Development Act* in respect of that private forest.

Briefly, to be certified as a forest producer under the *Sustainable Forest Development Act*, a forest owner must own a forest area of not less than four hectares having a forest management plan that is certified by a forest engineer as complying with the by-laws of the regional agency for private forest development. In addition, in the case of a private forest consisting of a single block of 800 hectares or more, the owner must be a member in good standing of a forest fire protection organization.



### **Introduction of a deduction for innovative manufacturing corporations**

The government is instituting an innovative companies deduction.

As of January 1, 2017, the deduction will give manufacturing firms that market a product that includes a patent protecting an invention developed in Québec a lower tax rate on the revenue attributable to that patent.

Here are the primary parameters of the innovative companies deduction:

#### *Eligible companies*

Companies operating a business in Québec:

- > with more than \$15 million in paid-up capital;
- > whose Québec activities primarily consist in manufacturing and processing activities.

#### *Eligible revenue*

Revenue from an eligible patent included in a good manufactured in Québec.

#### *Eligible patent*

The patent must:

- > be held by a corporation with an establishment in Québec;
- > protect an invention developed with the help of Québec R&D tax credits;
- > have been the subject of an application starting on March 18, 2016.

#### *Rate*

The effective tax rate on eligible income is 4%.<sup>6</sup>

### **Enhancement of the tax credit for the integration of information technologies in SMBs in the primary and manufacturing sectors**

The tax credit will be enhanced, firstly, by making it accessible to corporations operating in the wholesale and retail sectors and, secondly, by increasing to \$50 million the amount of paid-up capital above which the tax credit rate is reduced to zero for a qualified corporation.

### **Application date**

This change will apply in respect of a taxation year of a corporation ending after March 17, 2016. However, it will apply only to expenditures relating to the supply of a qualified management software package incurred after March 17, 2016, but before January 1, 2020.

### **Introduction of a temporary refundable tax credit for major digital transformation projects**

This tax credit will apply to eligible digitization contract that are entered into March 17, 2016 and before January 1, 2019, and it will target the implementation of projects that will generate the creation of at least 500 new jobs in Québec to be maintained for a period of seven years.

The tax credit will be equal, for a two-year period in respect of an eligible digitization contract, to 24% of the eligible salary paid by the corporation to an eligible employee during this period, but without exceeding an amount of \$20,000 per employee annually.

To qualify as an eligible digitization contract, Investissement Québec must have issued a qualification certificate in respect of the contract.

### **Change to the tax treatment of contributions made for political purposes**

The tax legislation will be amended to stipulate that a contribution made for political purposes, illegally or otherwise, directly or indirectly, will not be deductible in calculating the income a taxpayer earns from a business or property.

This amendment will apply to a contribution made for political purposes after March 17, 2016.

<sup>6</sup> The income attributable to the patent cannot exceed 50% of the revenue from the good manufactured in Québec.

## OTHER MEASURES

### **Amendments to the *Act respecting duties on transfers of immovables***

#### **Tightening of certain provisions granting an exemption from paying transfer duties**

*Clarification to the exemption condition for the transfer of certain immovable*

The expressions “at least 90% of the issued shares of the capital stock to which are attached full voting rights”, “at least 90% of the issued full voting shares of the capital stock” and “at least 90% of the issued shares having full voting rights” determine whether a transferee is eligible for an exemption from paying transfer duties for the transfer of an immovable between a natural person and a legal person as well as between two closely related legal persons.

The Act will be amended to specify that the percentage indicated in these expressions must be determined by calculating the number of votes attached to the shares of the capital stock of the legal person.

This amendment will apply in respect of the transfer of an immovable made after March 17, 2016.

*Introduction of a requirement to maintain the exemption condition for certain transfers of immovables*

The Act will be amended to introduce an obligation to maintain the exemption condition for a minimum period of 24 months following the date of an immovable’s transfer, where the transfer made by a transferor that is a natural person to a transferee that is a legal person or between two closely related legal persons is subject to an exemption from paying transfer duties based on ownership of shares of the capital stock of a legal person conferring on their owner at least 90% of the voting rights.

This amendment will apply in respect of the transfer of an immovable made after March 17, 2016.

*Introduction of a disclosure mechanism applicable where the exemption condition ceases to be met*

The Act will be amended to require that the transferee of an immovable whose transfer was

exempted from payment of the transfer duties must notify the municipality in whose territory the immovable is located where, during the 24-month period following the immovable’s transfer date, the exemption condition concerning the percentage of voting rights ceases to be met, in the case of the transfer of an immovable by a transferor who is a natural person to a transferee that is a legal person, as well as in the case of the transfer of an immovable between two closely related legal persons.

The notice of disclosure must be submitted to the municipality within 90 days following the date the exemption condition ceases to be met.

*Restriction on application of the exemption provision for the transfer of an immovable between two closely related legal persons*

The exemption is applicable for the transfer of an immovable between two closely related legal persons where at least 90% of the fair market value of all the issued and outstanding shares of the capital stock of a legal person is owned by a particular legal person.

The provision granting exemption from paying transfer duties in such circumstances will be revoked.

The provision granting exemption from paying transfer duties where at least 90% of the fair market value of all the issued and outstanding shares of the capital stock of a legal person and a particular legal person is owned by either the same legal person or the same group of legal persons will also be revoked.

These amendments will apply in respect of the transfer of an immovable made after March 17, 2016.

*Anti-avoidance rule providing for imposition of special duties in respect of transfer duties*

The anti-avoidance rule designed to restrict, in certain cases, use of the provisions granting exemption from paying transfer duties where the transferee is a legal person will be revoked.

This amendment will apply in respect of the transfer of an immovable made after March 17, 2016.

**Change to the transfer duties due date and introduction of a disclosure mechanism for transfers not registered in the land register**

*Change to the transfer duties due date*

The Act will be amended so that the transfer duties will become payable as of the date of an immovable's transfer.

This amendment will apply in respect of the transfer of an immovable made after March 17, 2016.

*Introduction of a disclosure mechanism for transfers not registered in the land register*

The Act will be amended so as to require the transferee of an immovable to notify the municipality in whose territory the immovable is located where the deed ascertaining the transfer of the immovable is not registered in the land register.

This amendment will apply to the transfer of an immovable made after March 17, 2016.

**Failure to file the notice of disclosure within the prescribed period**

The *Taxation Act* will be amended so that a transferee will be required to pay the Minister of Revenue special duties equal to 150% of the transfer duties payable in respect of the transfer of an immovable to the transferee if the latter fails to file with the municipality in whose territory the immovable is located, within the prescribed period, the notice of disclosure of cessation of compliance with the exemption condition.

More specifically, transfer duties resulting from the transfer of the immovable will not be required in addition to payment of the special duties on the same transfer. However, where the transferee pays the transfer duties to the municipality concerned even though the period for transmitting the notice of disclosure has expired, the transferee will be required to pay one-third of the special duties.

*Voluntary disclosure*

A transferee of an immovable that fails to file the notice with the municipality concerned within the prescribed period may make a disclosure under Revenu Québec's voluntary disclosure policy,

provided the disclosure complies with the conditions applicable under that policy.

These amendments will apply to the transfer of an immovable made after March 17, 2016.

**Introduction of an exemption from paying transfer duties on the transfer of an immovable between former de facto spouses**

The Act will be amended to introduce an exemption from paying duties on the transfer of an immovable between former de facto spouses within twelve months following the date they ceased to be spouses due to the breakdown of their union.

This amendment will apply in respect of the transfer of an immovable made after March 17, 2016.

**Changes to government assistance for capitalization of de Capital régional et coopératif Desjardins**

The tax legislation will be amended to stipulate that, for any redemption or purchase made after December 31, 2015, the applicable rate for obtaining the specified portion of the amount paid by a taker to acquire a share of Capital régional et coopératif Desjardins will correspond to:

- > 50%, where the share was issued before March 1, 2014;
- > 45%, where the share was issued after February 28, 2014, and before March 1, 2016;
- > 40%, where the share was issued after February 29, 2016.

**Temporary maintenance of the increased rate of the tax credit for the acquisition of shares in Fondaction**

The rate of the tax credit will be maintained at 20% for any eligible share acquired before June 18, 2016.

**Increase in the threshold for the tax exemption on logging operations**

The exemption threshold for the tax on logging operations will be raised from \$10,000 to \$65,000.

### **Revision of the farm property tax credit program**

Various changes will be made to the farm property tax credit program, which, as of January 1, 2017, will be integrated into the *Act respecting municipal taxation* and administered by Revenu Québec. In addition, given the nature of this program, the sums required for payment of the farm property tax credit will be drawn from the tax revenues collected under the *Taxation Act*.

### **Simplification of the registration procedure for charities**

The tax regulations will be amended to stipulate that, subject to the Minister's power to refuse, cancel, or revoke a registration or to modify a designation, a charitable organization, a private foundation, a public foundation or a division—a branch, section, parish, congregation or other division—of a charitable organization, private foundation or public foundation that possesses valid registration as a charitable organization, a private foundation or a public foundation under federal tax legislation will be deemed to also be registered as such with the Minister.

This amendment will apply as of January 1, 2016.