

Québec personal non-refundable and refundable credits for 2011

Québec non-refundable tax credit rate and amounts for 2011

Tax rate applied to credits ¹	20.00%
Indexation factor ²	1.27%
Basic personal amount	\$10,640
Amounts for dependants:	
Child under 18 engaged in full-time training or post-secondary studies ³	1,965
Child over 17 who is a full-time student ⁴	
Other dependants over 17 ⁵	2,855
Person living alone or with a dependant: ^{6,7}	
Basic amount	1,245
Single-parent amount	1,545
Age 65 and over ⁶	2,290
Experienced workers (age 65 and over) ⁸	
Pension ⁶ (max)	2,035
Disability	2,420
Union and professional dues ⁹	
Tuition fees and interest paid on student loans ¹⁰	
Medical expenses ¹¹	
Charitable donations ¹²	
Credit rate on first \$200	20%
Credit rate on balance	24%

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Notes

- (1) Québec's credit rate is applied to the dollar amounts shown in the table to determine the credit value. For example, the basic personal credit amount of \$10,640 is multiplied by 20% to determine the credit value of \$2,128.

The unused portion of all non-refundable credits may be transferred from one spouse/partner to another, but only after all credits have been taken into account in the calculation of the individual's income tax otherwise payable.

- (2) Québec indexes its tax credits each year by using an inflation factor that is calculated based on the provincial rate of inflation, excluding changes in liquor and tobacco taxes. The Québec inflation factor is 1.27% for 2011.
- (3) This credit is available for a dependent child who is under the age of 18 and is engaged in full-time professional training or post-secondary studies for each completed term, to a maximum of two semesters per year per dependant. It is also available for infirm dependants who are engaged in such activities part-time. The amount claimed is reduced by 80% of the dependant's income for the year, calculated without including any scholarships, fellowships or awards received during the year.
- (4) An eligible student is able to transfer to either parent an amount relating to an unused portion of their basic personal credit amount for the year (transfer mechanism for the recognized parental contribution). Each taxation year, the amount that can be transferred must not exceed the limit applicable for that particular year (\$7,015 for 2011).
- (5) This credit is available if the dependant, other than the spouse, is related to the taxpayer by blood, marriage or adoption and ordinarily lives with the taxpayer. In order to be eligible for the tax credit, the taxpayer must also not have benefited from a transfer of the recognized parental contribution from this dependant. The amount claimed must be reduced by 80% of the dependant's income, calculated without including any scholarships, fellowships or awards received during the year.
- (6) The amounts for a person living alone or with a dependant, age 65 and over, and pension income are added together and reduced by 15% of net family income. Net family income is the total income of both spouses/partners minus \$30,875.
- (7) This credit is available if the individual lives in a self-contained domestic establishment that he maintains and in which no other person, other than himself, a minor person, or an eligible student lives. If the individual is living with an eligible student, for the purposes of the transfer mechanism for the recognized parental contribution (see note (4)), the individual may be able to add an amount for a single-parent family of \$1,545 to the basic amount for a person living alone.

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- (8) A new tax credit will be available as of 2012 for workers who are 65 years of age or older. This tax credit will apply to a portion of eligible work income that exceeds the first \$5,000. This portion is equal to \$3,000 in 2012 and will gradually increase to \$10,000 in 2016. The unused portion of the tax credit may not be carried forward or transferred to the individual's spouse.
- Eligible work income includes salary and business income but excludes taxable benefits received regarding a previous employment as well as amounts deducted in computing taxable income, such as the stock option deduction.
- (9) The credit for union and professional dues is calculated based on the annual fees paid in the year. The portion of professional dues relating to liability insurance is allowed as a deduction and is not included in calculating the credit amount.
- (10) The tuition credit is calculated based on tuition, professional examination and mandatory ancillary fees paid for the calendar year. The student may transfer the unused portion of the tuition credit to either one of his parents or grandparents. The portion of this credit that is not transferred will be available for future use by the student. Interest paid on student loans but unclaimed in a particular year may be carried forward indefinitely.
- (11) The medical expense credit is calculated based on qualified medical expenses in excess of 3% of family income. Family income is the total income of both spouses/partners.
- (12) Charitable donations made by both spouses/partners may be totalled and claimed by either person. The maximum amount of donations that may be claimed in a year is 75% of net income. However, all donations may be carried forward for five years if they are not claimed in the year made.

Selected Québec refundable tax credits for 2011 (continued)

Adoption expense credit

Québec provides a refundable tax credit equal to 50% of specified adoption expenses, to a maximum of \$20,000 of qualifying expenses. This represents a maximum annual credit of \$10,000. Qualifying expenses include court and legal fees paid to obtain the final adoption order, travel and accommodation expenses for foreign adoptions, translation expenses, and fees charged by foreign and domestic social agencies.

Infertility treatment credit

The infertility treatment tax credit is refundable and is equal to 50% of all eligible expenses paid by an individual or his or her spouse/partner in a year to a maximum of \$20,000. This represents a maximum annual credit of \$10,000 per couple.

Child care expense credit

Unlike the federal treatment of qualifying child care expenses, which are eligible for a deduction in computing net income, Québec provides a refundable tax credit for such expenses. Child care expenses paid in the year are eligible for a credit at a rate that varies from 26% to 75%. The rate of credit falls as net family income rises.

In general, the maximum amount of expenses eligible for credit is the lesser of:

- \$10,000 for a child of any age who has a severe or prolonged mental or physical impairment, plus \$9,000 for a child under the age of seven, plus \$4,000 for a child under the age of 17, or
- The actual child care expenses incurred in the year.

The definition of eligible expenses includes costs incurred during the period an individual receives benefits under the Québec Parental Insurance Plan or the Employment Insurance Plan.

The child care expenses are not limited by the earned income of the parent.

Selected Québec refundable tax credits for 2011 (continued)

Natural caregivers of related adults

This refundable tax credit of up to \$1,075 per eligible relative consists of a basic amount of \$591, plus a supplement of \$484. The credit amount is reduced by 16% of the eligible relative's income over \$21,505. For the purposes of this credit, an eligible relative is an elderly family member, or a family member with a prolonged mental or physical impairment, who lives with the individual.

Beginning in 2011, this credit was extended to caregivers caring for a spouse aged 70 years and over who has a severe and prolonged mental or physical impairment (as attested by a physician), as well as to caregivers who cohabit with an eligible relative unable to live alone because of a severe and prolonged mental or physical impairment (as attested by a physician).

Caregivers can also claim a refundable tax credit for respite services. For 2011, this refundable tax credit is equal to 30% of the total qualifying expenses paid in the year, to a maximum of \$5,200. Qualifying expenses include specialized respite services respecting the care and supervision of an eligible person. The maximum annual credit of \$1,560 must be reduced by 3% of the caregiver's family income in excess of the annual threshold of \$52,080. If the expense has been used in calculating another refundable or non-refundable credit, it cannot be claimed for this credit as well.

Home support of elderly persons living alone

The refundable tax credit for home support can be claimed by persons age 70 and over living alone. For individuals not recognized as dependent seniors, the tax credit is equal to 30% of a maximum amount of eligible expenses of \$15,600, for a maximum refundable tax credit of \$4,680. For individuals recognized as dependent seniors, the tax credit is equal to 30% of a maximum amount of eligible expenses of \$21,600, for a maximum refundable tax credit of \$6,480. The tax credit is reduced by 3% of the individual's family income in excess of the annual threshold of \$52,080. If the expense also qualifies for the medical expense credit, it cannot be claimed for this credit as well.

Medical expense credit

Québec provides a refundable tax credit equal to the total of 25% of medical expenses eligible for the non-refundable credit and 25% of the amount deducted for impairment support products and services. The maximum amount is \$1,074 for 2011, reduced by 5% of family income in excess of \$20,785.

Current as of December 31, 2011

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