KPMG

TaxNewsFlash

Canada

# Tax Accounting — 2022 Tax Rates and Other Changes

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If you are involved in preparing financial reports for corporations or other organizations, certain 2022 Canadian income tax rate and other changes may need to be reflected in your year-end financial statements under International Financial Reporting Standards (IFRS), Accounting Standards for Private Enterprises (ASPE) or U.S. generally accepted accounting principles (U.S. GAAP).

**When do new tax measures have to be taken into account?**
Under IFRS and ASPE, the tax effect of changes in tax law and rates is recognized in the period that includes the date that the changes were substantively enacted. Under U.S. GAAP, tax law and rate changes are recognized in the period that includes the date that the changes were enacted.

This *TaxNewsFlash-Canada* reflects the related Canadian federal and provincial income tax legislation substantively enacted or enacted between July 1, 2022 and December 31, 2022. This publication also includes a summary of certain outstanding corporate income tax measures that have been announced, but are not yet substantively enacted, including 2022 federal budget measures to eliminate the tax deferral of investment income earned by substantive Canadian-controlled private corporations (CCPCs) as well as several outstanding 2021 federal budget measures, such as new interest deductibility limits.

For 2022 tax legislation enacted before July 1, 2022, see *TaxNewsFlash-Canada* 2022-36, "Tax Accounting — Q2 2022 Update".

## Substantively enacted and enacted corporate tax rates for 2022

The federal general corporate tax rate and the federal small business tax rate for eligible zero-emission technology manufacturing and processing income have been temporarily reduced to 7.5% (from 15%) and 4.5% (from 9%), respectively, for taxation years beginning after 2021 and before 2029. The reduced rates are gradually phased out for taxation years that begin in 2029 and are fully phased out for taxation years that begin after 2031.

For 2022 and future years, the federal and provincial general corporate income tax rates otherwise remain unchanged for all provinces.

The federal small business income tax rate has not changed in 2022, except as noted above. However, the small business income tax rate in Prince Edward Island decreased to 1% (from 2%), effective January 1, 2022. Additionally, Saskatchewan retroactively extended its temporarily reduced small business income tax rate of 0% to June 30, 2023 (from June 30, 2022). Saskatchewan also delayed the dates of additional planned rate changes by one year so that the rate will now increase to 1% on July 1, 2023 and will return to 2% on July 1, 2024.

### *Additional taxes for banks and life insurers*

An additional income tax of 1.5% applies to bank and life insurer groups on taxable income greater than $100 million (the taxable income exemption can be allocated among the group members), for taxation years ending after April 7, 2022. The additional tax is pro-rated for the number of days after April 7, 2022 for taxation years that straddle this date. Bank and life insurer groups are also subject to a one-time 15% tax under the Canada Recovery Dividend. Under these rules, the 15% tax is computed based on the average "group" taxable income for the 2020 and 2021 taxation years in excess of $1 billion. Affected corporations are liable for the Canada Recovery Dividend for 2022 taxation years and must pay this tax in equal instalments over five years.

### *General corporations*

The following federal and provincial corporate tax rates for active business income earned by a general corporation are substantively enacted and enacted as of December 31, 2022:

| **Tax Rates for Active Business Income Earned by a General Corporation Substantively Enacted and Enacted as of December 31, 2022[1]** | | |
|---|---|---|
| | **2022** | **2023 and beyond** |
| Federal rate[2,3] | 15.0% | 15.0% |
| Provincial rates | | |
| British Columbia | 12.0% | 12.0% |
| Alberta | 8.0% | 8.0% |
| Saskatchewan | 12.0% | 12.0% |
| Manitoba | 12.0% | 12.0% |

| | | |
|---|---|---|
| Ontario | 11.5% | 11.5% |
| Quebec | 11.5% | 11.5% |
| New Brunswick | 14.0% | 14.0% |
| Nova Scotia | 14.0% | 14.0% |
| Prince Edward Island | 16.0% | 16.0% |
| Newfoundland and Labrador | 15.0% | 15.0% |
| Territorial rates | | |
| Yukon | 12.0% | 12.0% |
| Northwest Territories | 11.5% | 11.5% |
| Nunavut | 12.0% | 12.0% |

[1] The rates in the table are substantively enacted as at December 31, 2022 for ASPE and IFRS purposes and are also enacted as at December 31, 2022 for U.S. GAAP purposes.
[2] The federal general corporate tax rate has been temporarily reduced to 7.5% (from 15%) on eligible zero-emission technology manufacturing and processing income for taxation years beginning after 2021. The reduced rates are gradually phased out for taxation years that begin in 2029 and are fully phased out for taxation years that begin after 2031.
[3] Bank and life insurer groups are also subject to an additional 1.5% tax on taxable income earned in excess of a $100 million taxable income exemption to be allocated among the group, for taxation years ending after April 7, 2022. A group includes a bank or life insurer and any other financial institution for the purposes of Part VI tax that is related to the bank or life insurer. The additional tax is pro-rated for the number of days after April 7, 2022 for taxation years that straddle this date.

### *Canadian-controlled private corporations*

The following federal and provincial corporate tax rates for general active business income earned by a CCPC on its income that is eligible for the small business deduction are substantively enacted and enacted as of December 31, 2022:

| **Tax Rates for Active Business Income Earned by a CCPC Eligible for the Small Business Deduction Substantively Enacted and Enacted as of December 31, 2022[1]** | | |
|---|---|---|
| | **2022** | **2023 and beyond** |
| Federal rate[2] | 9.0% | 9.0% |
| Provincial rates | | |
| British Columbia | 2.0% | 2.0% |
| Alberta | 2.0% | 2.0% |
| Saskatchewan[3] | 0.0% | 0.0%/1.0%/2.0% |
| Manitoba | 0.0% | 0.0% |
| Ontario | 3.2% | 3.2% |
| Quebec[4] | 3.2% | 3.2% |
| New Brunswick | 2.5% | 2.5% |

| | | |
|---|---|---|
| Nova Scotia | 2.5% | 2.5% |
| Prince Edward Island[5] | 1.0% | 1.0% |
| Newfoundland and Labrador | 3.0% | 3.0% |
| Territorial rates | | |
| Yukon | 0.0% | 0.0% |
| Northwest Territories | 2.0% | 2.0% |
| Nunavut | 3.0% | 3.0% |

[1] The rates in the table are substantively enacted as at December 31, 2022 for ASPE and IFRS purposes and are also enacted as at December 31, 2022 for U.S. GAAP purposes.
[2] The federal small business tax rate has been temporarily reduced to 4.5% (from 9%) on eligible zero-emission technology manufacturing and processing income for taxation years beginning after 2021. The reduced rates are gradually phased out for taxation years that begin in 2029 and are fully phased out for taxation years that begin after 2031.
[3] Saskatchewan originally reduced the province's small business income tax rate to 0% (from 2%) effective October 1, 2020 to June 30, 2022, and had scheduled an increase to 1% on July 1, 2022 and another increase to 2% on July 1, 2023. However, Saskatchewan retroactively extended the reduced small business income tax rate of 0% by one year to June 30, 2023 (from June 30, 2022) and delayed the increase of the rate to 1% to July 1, 2023 (instead of July 1, 2022). The rate will further increase to the original rate of 2% as of July 1, 2024 (instead of July 1, 2023). The small business income threshold is $600,000 in Saskatchewan. Therefore, Saskatchewan's combined income tax rate on active business income between $500,000 and $600,000 is 15% (i.e., 15% federally and 0% provincially) until June 30, 2023, followed by 16% (i.e., 15% federally and 1% provincially) effective July 1, 2023 to June 30, 2024 and 17% (i.e., 15% federally and 2% provincially) effective July 1, 2024.
[4] Quebec's small business deduction is generally available to corporations only if their employees were paid for at least 5,500 hours in the taxation year (proportionally reduced for short taxation years) or if their employees and those of their associated corporations were paid for at least 5,500 hours in the previous taxation year, to a maximum of 40 hours a week per employee (excluding the hours paid to a subcontractor). The small business deduction is reduced linearly between 5,500 and 5,000 hours and falls to zero at 5,000 hours.
[5] Prince Edward Island decreased its small business income tax rate to 1% (from 2%), effective January 1, 2022.

The latest rates and small business deduction thresholds are always available on our Canadian Corporate Tax Tables page on the KPMG Canada site.

## Status of recent tax legislation at December 31, 2022

The tables below provide more information on selected 2022 federal and provincial corporate income tax measures that may affect your December 31, 2022 financial statements.

For more information about these changes, contact your KPMG adviser or see the editions of *TaxNewsFlash-Canada* or *TaxNewsNow* noted below.

## Federal legislation

| Federal Bill C-32 | |
|---|---|
| **Date "substantively enacted" under ASPE/IFRS** | **Date "enacted" under U.S. GAAP** |
| December 8, 2022 | December 15, 2022 |

Bill C-32 includes corporate income measures from the 2022 federal budget related to:

- The Canada Recovery Dividend, a one-time 15% tax on bank and life insurer groups based on the average "group" taxable income for the 2020 and 2021 taxation years, subject to a taxable income exemption of $1 billion to be allocated among the group
- An additional 1.5% tax on the taxable income of members of bank and life insurer groups (as determined for the purposes of the Canada Recovery Dividend), subject to a taxable income exemption of $100 million shared among the group members, applicable to taxation years ending after April 7, 2022
- Changes to allow more medium-sized CCPCs to benefit from the small business deduction (increase in upper limit of the range to $50 million (from $15 million) of taxable capital before the small business deduction is reduced, based on the combined taxable capital employed in Canada of a CCPC and its associated corporations)
- Clean Technology Tax Incentives for certain air-source heat pumps that:
    - Expand the accelerated Capital Cost Allowance (CCA) regime, applicable to eligible property acquired after April 6, 2022 that has not been used or acquired for use before April 7, 2022
    - Expand the tax rate reduction for zero-emission technology manufacturers to cover income from manufacturing of such pumps, as of January 1, 2022
- The new 30% Critical Mineral Exploration Tax Credit for eligible exploration expenditures renounced under eligible flow-through share agreements entered into after April 7, 2022 and on or before March 31, 2027
- The phase-out of flow-through shares for oil, gas and coal activities, which applies to expenditures renounced under flow-through share agreements entered into after March 31, 2023
- The use of the new International Financial Reporting Standards for insurance contracts (IFRS 17) for income tax purposes, subject to certain adjustments, effective as of January 1, 2023

- The expanded application of the general anti-avoidance rule (GAAR) to tax attributes that have not yet become relevant to the computation of tax, which generally applies to transactions that occur on or after April 7, 2022

- Interest coupon stripping, which generally applies to interest that accrues on or after April 7, 2022.

For more information, see *TaxNewsFlash-Canada* 2022-24, "2022 Federal Budget Highlights" and *TaxNewsNow*, "2022 Federal Budget Bill #2 Now Law".

## Outstanding federal legislation

The following federal corporate tax measures have been announced, but have not been included in a bill and are not substantively enacted for IFRS or ASPE purposes. These measures are also not enacted for purposes of U.S. GAAP as of December 31, 2022.

### *Federal fall economic update – November 3, 2022*

In its 2022 Fall Economic Update, Finance introduced a refundable Clean Technology Investment Tax Credit for 30% of the capital cost of certain eligible clean technology equipment and announced that it would consult on an investment tax credit for clean hydrogen, further to its 2022 budget proposals. Finance also announced its intention to introduce a 2% corporate tax on the net value of all types of share buybacks by public corporations in Canada and continue its review of the Scientific Research and Development (SR&ED) regime, noting that it will provide more details in its 2023 federal budget. The Update also reiterated the government's commitment to Pillars One and Two of the Organization for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting.

Alongside the Update, Finance released draft legislation to require digital platform operators to collect and report relevant information about sellers that use their platform to tax authorities, and revised draft legislation for the excessive interest and financing expenses limitation (EIFEL) rules.

For details of these and other measures included in the Update, see *TaxNewsFlash-Canada* 2022-48, "Highlights of the 2022 Federal Fall Economic Update", and *TaxNewsFlash-Canada* 2022-53, "Finance Revises Interest Expense Limitation Proposals".

### *2022 federal budget tax measures*

Several significant 2022 federal budget tax measures have not yet been included in a bill, including proposed changes to:

- Eliminate tax deferral of investment income of certain non-CCPCs (substantive CCPCs) and the tax deferral for CCPCs and substantive CCPCs earning investment income through controlled foreign affiliates

- Prevent taxpayers from claiming certain tax deductions related to hedging and short selling arrangements

- Introduce a new borrowing limit for defined benefit pension plans (that replaces the 90-day term limit borrowing rule)

- Introduce a new refundable investment tax credit for carbon capture, utilization and storage

- Introduce a new investment tax credit of up to 30% for investments in clean technology (i.e., net-zero technologies, battery storage solutions, and clean hydrogen)

- Introduce a domestic minimum top-up tax that would apply to Canadian entities of multinational enterprises that are within the scope of the OECD's Pillar Two proposal.

For further details of these measures, see *TaxNewsFlash-Canada* 2022-24, "2022 Federal Budget Highlights" and *TaxNewsFlash-Canada* 2022-25, "2022 Federal Budget — Spotlight on Financial Services".

### *2021 federal budget tax measures*

Several significant 2021 federal budget tax measures have not yet been included in a bill. Finance released draft legislation for many of these measures for comment, including for proposed changes to:

- Introduce additional interest deductibility limitations (i.e., EIFEL rules) (see *TaxNewsFlash-Canada* 2022-53, "Finance Revises Interest Expense Limitation Proposals")

- Introduce hybrid mismatch arrangement rules (see *TaxNewsFlash-Canada* 2022-30 "MNEs — Review New Hybrid Mismatch Rules")

- Expand mandatory disclosure rules (see *TaxNewsFlash-Canada* 2022-48, "Highlights of the 2022 Federal Fall Economic Update" and *TaxNewsFlash-Canada* 2022-43, "Prepare Now for Upcoming Mandatory Disclosure Rules")

- Introduce a Digital Services Tax (see *TaxNewsFlash-Canada* 2021-64, "Canada Lays out Digital Tax Proposals for Businesses").

## Provincial tax legislation

### *Saskatchewan*

| Saskatchewan Bill 89 | |
|---|---|
| **Date "substantively enacted" under ASPE/IFRS** | **Date "enacted" under U.S. GAAP** |
| November 2, 2022 | November 14, 2022 |

Saskatchewan Bill 89 includes a measure to retroactively extend the province's temporary small business income tax rate of 0% to June 30, 2023 (from June 30, 2022). The rate is scheduled to increase to 1% starting on July 1, 2023 (instead of July 1, 2022), and to return to the original tax rate of 2% as of July 1, 2024. For further details, see *TaxNewsNow*, "Saskatchewan extends small business tax relief and more" and *TaxNewsNow*, "Saskatchewan — Extended small business tax relief now law".

### *Manitoba*

| Manitoba Bill 45 | |
|---|---|
| **Date "substantively enacted" under ASPE/IFRS** | **Date "enacted" under U.S. GAAP** |
| October 11, 2022 | November 3, 2022 |

Manitoba Bill 45 includes includes several corporate income tax measures announced in the province's 2022 budget. The bill makes changes to several existing tax credits, including measures to:

- Make the Small Business Venture Capital Tax Credit permanent (previously scheduled to expire on December 31, 2022), among other small technical changes
- Make the Community Enterprise Development Tax Credit permanent (previously scheduled to expire on December 31, 2022)
- Revise the Film and Video Production Tax Credit to confirm that film producers can get advance credits before a film is completed, provided that proper documentation is submitted.

For further details, see *TaxNewsFlash-Canada* 2022-26, "Highlights of the 2022 Manitoba Budget" and *TaxNewsNow*, "2022 Manitoba budget bill now law".

### *Ontario*

| Ontario Bill 2 (formerly Bill 126) | |
|---|---|
| **Date "substantively enacted" under ASPE/IFRS** | **Date "enacted" under U.S. GAAP** |
| April 28, 2022 | September 8, 2022 |

Ontario's Bill 2 includes corporate income tax changes announced in the province's 2022 budget. This bill reintroduced measures from Ontario's previous 2022 budget bill, Bill 126, which received first reading on April 28, 2022 but subsequently died on the order paper ahead of Ontario's provincial election on June 2, 2022. Although re-introduced in Bill 2, the corporate income tax measures in the former bill are considered substantively enacted for purposes of IFRS and ASPE as of April 28, 2022, the date Bill 126 received first reading.

Ontario Bill 2 includes corporate income tax measures to:

- Extend the temporary increase to the Regional Opportunities Investment Tax Credit to 20% (from 10%) for an additional year, for qualifying investments in certain geographic regions of Ontario that become available for use from March 24, 2021 to December 31, 2023 (previously December 31, 2022)

- No longer require a literary work to be published in an edition of at least 500 copies of a bound book to be eligible for the Ontario Book Publishing Tax Credit for the 2022 and subsequent taxation years (this requirement was previously temporarily removed for the 2020 and 2021 taxation years).

For further details, see *TaxNewsFlash-Canada* 2022-29, "Highlights of the 2022 Ontario Budget", *TaxNewsNow*, "Ontario reintroduces 2022 budget bill" and *TaxNewsNow*, "2022 Ontario Budget Bill now law".

| **Ontario Bill 36** | |
|---|---|
| **Date "substantively enacted" under ASPE/IFRS** | **Date "enacted" under U.S. GAAP** |
| November 14, 2022 | December 8, 2022 |

Ontario's Bill 36 allows certain location fees for filming at homes and businesses to qualify for the Ontario Production Services Tax Credit, effective for expenditures incurred after November 14, 2022. This measure was announced among others in Ontario's 2022 Fall Economic Update.

For further details, see *TaxNewsFlash-Canada* 2022-50, "Highlights of the 2022 Ontario Fall Economic Update", and *TaxNewsNow*, "Ontario Enacts Certain Changes Included in Fall Economic Update".

### *Nova Scotia*

| **Nova Scotia Bill 227** | |
|---|---|
| **Date "substantively enacted" under ASPE/IFRS** | **Date "enacted" under U.S. GAAP** |
| October 21, 2022 | November 9, 2022 |

Nova Scotia's Bill 227 increases the rate of the Capital Investment Tax Credit to 25% (from 15%) for qualified property acquired after October 1, 2022 and extends this refundable credit to December 31, 2029 (previously scheduled to expire on December 31, 2024).

For further details, see *TaxNewsNow*, "Nova Scotia — Changes to capital investment tax credit now law".

## *Quebec*

| Quebec Bill 6 | |
|---|---|
| **Date "substantively enacted" under ASPE/IFRS** | **Date "enacted" under U.S. GAAP** |
| December 9, 2022 | Not enacted |

Quebec Bill 6 contains measures previously announced in Quebec's 2022 budget and in various information bulletins published in 2021 and 2022. The bill includes corporate measures from the budget to:

- Extend the temporary increase to the tax credit relating to investment and innovation (C3i) by one year, until December 31, 2023
- Introduce a refundable tax credit for the production of biofuel in Quebec, up to a maximum of 300 million litres per year, as of April 1, 2023
- Extend the refundable tax credit for the production of pyrolysis oil in Quebec for a period of 10 years, until March 31, 2033, and make certain changes to the credit, including how the credit is calculated and increasing the annual production cap to 300 million litres.

Quebec Bill 6 also includes certain corporate measures announced in Information Bulletins (published in 2021 and 2022) to:

- Clarify the definition of "qualified intellectual property asset" for the Incentive Deduction for the Commercialization of Innovations (IDCI), effective for taxation years that begin after December 31, 2020
- Expand access to the tax credit to foster the retention of experienced workers, for taxation years that end after December 30, 2022
- Expand access to the refundable tax credit for small and medium-sized businesses in respect of persons with a severely limited capacity for employment, for taxation years that end after December 30, 2022
- Narrow the refundable tax credit relating to mining, petroleum, gas or other resources, by excluding expenses related to oil, gas or coal incurred after March 31, 2023.

Quebec Bill 6 also includes certain measures to harmonize with federal budget measures announced in Information Bulletins (published in 2021 and 2022) to:

- Allow temporarily the immediate expensing of eligible property for CCPCs
- Expand eligibility for immediate expensing of eligible property to include sole proprietorships and certain partnerships.

For further details, see *TaxNewsFlash-Canada* 2022-15, "Highlights of the 2022 Quebec Budget" and *TaxNewsNow*, "Quebec Harmonizes with Federal Budget Measures and More".

## Outstanding provincial budget and other corporate income tax measures

The following provincial corporate income tax measures have been announced but are not substantively enacted for IFRS or ASPE purposes. They are also not enacted for purposes of U.S. GAAP as of December 31, 2022.

### *Ontario*

Ontario has not yet tabled a bill to harmonize with the federal measure that introduced a new range of $10 million to $50 million (instead of $10 million to $15 million) over which the small business limit is reduced based on the combined taxable capital employed in Canada of a CCPC and its associated corporations. Ontario announced in its 2022 Fall Economic Update that it would introduce legislation once the federal measure received Royal Assent.

Ontario has also not yet tabled a bill to enact the corporate income tax changes announced in the province's 2022 budget to extend eligibility for the Ontario Film and Television Tax Credit and the Ontario Production Services Tax Credit to professional film and television productions distributed exclusively online. Ontario announced in its 2022 Fall Economic Update that it plans to release proposed amendments on these credits for public consultation.

For details, see *TaxNewsFlash-Canada* 2022-50, "Highlights of the 2022 Ontario Fall Economic Update" and *TaxNewsFlash-Canada* 2022-29, "Highlights of the 2022 Ontario Budget".

### *Newfoundland and Labrador*

Newfoundland and Labrador has not yet tabled a bill to enact the new All Spend Film and Video Production Tax Credit. This credit, which was introduced in the province's 2022 budget, provides a 30% tax credit for total qualified production costs, up to a maximum credit of $10 million annually per project.

For further details, see *TaxNewsFlash-Canada* 2022-22, "Highlights of the 2022 Newfoundland and Labrador Budget".

### *Quebec*

*Quebec 2022 Information Bulletins*

Quebec has not yet tabled a bill to enact certain corporate tax harmonization measures and other measures announced in recent provincial Information Bulletins. Previously, in Information bulletin 2022-1 (published February 4, 2022), Quebec announced it will harmonize with certain federal measures to:

- Increase the ceiling on the capital cost of passenger vehicles for CCA purposes to $34,000 (from $30,000) for new and used vehicles purchased after 2021

- Increase the ceiling on the capital cost of eligible zero-emission passenger vehicles for CCA purposes to $59,000 (from $55,000) for new and used vehicles purchased after 2021.

Quebec further announced in Information bulletin 2022-4 (published June 9, 2022) that it will harmonize with various federal corporate tax measures announced in the 2019, 2021 and 2022 federal budgets, including certain measures that:

- Broaden eligibility for the small business deduction by increasing the upper limit of the range to $50 million (from $15 million) of taxable capital before the small business deduction is reduced

- Introduce limitations on the deductibility of interest and other financing expenses (see *TaxNewsFlash-Canada* 2022-53, "Finance Revises Interest Expense Limitation Proposals")

- Introduce hybrid mismatch arrangement rules (see *TaxNewsFlash-Canada* 2022-30, "MNEs — Review New Hybrid Mismatch Rules")

- Introduce reporting requirements for uncertain tax treatments (see *TaxNewsFlash-Canada* 2022-43, "Prepare Now for Upcoming Mandatory Disclosure Rules")

- Eliminate deferral of investment income of certain non-CCPCs (substantive CCPCs) and the deferral for CCPCs and substantive CCPCs earning investment income through controlled foreign affiliates (to be harmonized in part)

- Expand the GAAR to apply to tax attributes that have not yet become relevant to the computation of tax

- Add CCA classes for carbon capture, utilization and storage equipment, including eligibility for the Accelerated Investment Incentive

- Add CCA classes for intangible exploration expenses and development expenses for storing carbon dioxide

- Expand access to the accelerated CCA for certain air-source heat pumps (Classes 43.1 and 43.2)

- Introduce a new borrowing limit imposed on defined benefit pension plans

- Eliminate the flow-through share regime for oil, gas, and coal activities

- Support the use of the new international accounting standard for insurance contracts (IFRS 17) for income tax purposes, subject to certain adjustments

- Prevent taxpayers from claiming certain tax deductions related to hedging and short selling arrangements

- Update the rules that address tax planning related to allocations to redeeming fund unit holders in the mutual fund industry.

Quebec also announced provincial corporate tax changes in Information bulletin 2022-4 to:

- Expand the additional deduction for transportation costs incurred by remote small and medium-sized businesses by increasing the upper limit to $50 million (from $15 million) of paid-up capital before the additional deduction is reduced (which corresponds to the federal expansion of the small business deduction), for taxation years that begin after April 6, 2022

- Expand access to the income-averaging mechanism for forest producers (which corresponds to the federal expansion of the small business deduction), for taxation years that begin after April 6, 2022.

For details, see *TaxNewsNow*, "Quebec Harmonizes with Federal Budget Measures and More".

*Quebec 2021 Information Bulletin*

Quebec has not yet tabled a bill to harmonize with the 2021 federal budget measure to amend CCA classes for certain clean energy equipment (Classes 43.1 and 43.2). Quebec announced this change in Information bulletin 2021-5 (published on June 30, 2021).

## We can help

KPMG's tax accounting and audit support professionals can help you assess the impact these changes in tax law will have on your organization's financial statements. We can also help your organization understand and manage your obligations under the Canadian, U.S. and international financial reporting standards for income tax accounts and disclosures. For details, contact your KPMG adviser.