

REVENU
QUÉBEC




2023

EMPLOYMENT EXPENSES



revenuquebec.ca



**AS AN EMPLOYEE, YOU CAN
DEDUCT FROM YOUR INCOME
CERTAIN EXPENSES THAT
ARE DIRECTLY RELATED
TO FULFILLING YOUR
EMPLOYMENT OBLIGATIONS.**

Consult this guide to learn about deductions you may be able to claim in your income tax return.

CONTENTS

1	Introduction	7
1.1	Is this guide for you?	7
1.2	About this guide	7
1.3	How to use the guide	7
1.4	Forms	8
1.5	Abbreviations used in this guide	8
2	General information	9
2.1	Records, receipts and supporting documents	9
2.2	Expense allowances, advances and reimbursements	9
3	Salaried employees	10
3.1	General conditions	10
3.2	Documents to enclose with your income tax return	10
3.3	Deductible expenses	10
4	Employees who earn commissions	14
4.1	General conditions	14
4.2	Documents to enclose with your income tax return	14
4.3	Two ways to deduct your employment expenses	14
4.4	Deductible expenses	16
5	Transport employees	21
5.1	General conditions	21
5.2	Conditions and deductible expenses according to the type of employee	21
5.3	Documents to enclose with your income tax return	22
5.4	Deductible expenses	22
5.5	How to complete the "Trip and expense summary" on form TP-66-V	23
6	Forestry workers	25
6.1	General conditions	25
6.2	Documents to enclose with your income tax return	25
6.3	Deductible expenses	25
6.4	Rules relating to travel	26

7	Salaried tradespeople	27
7.1	General conditions	27
7.2	Documents to enclose with your income tax return	27
7.3	Deductible expenses	27
7.4	Disposition of an eligible tool during the year	28
8	Salaried musicians	29
8.1	Documents to enclose with your income tax return	29
8.2	Musical-instrument expenses	29
9	Motor vehicle expenses	30
9.1	Are you entitled to deduct your motor vehicle expenses?	30
9.2	Keeping records	30
9.3	Two types of vehicles	30
9.4	Expenses related to the use of a motor vehicle	31
9.5	Do you co-own or jointly lease an automobile?	33
9.6	Vehicle used for employment and other purposes	33
10	Capital cost allowance	34
10.1	Can you claim CCA?	34
10.2	Rules regarding CCA	34
10.3	Classes of depreciable property	35
10.4	Calculation of CCA	35
10.5	How to complete the work chart in the CCA section of the forms	36
11	QST rebate	39
11.1	Are you entitled to a QST rebate?	39
11.2	Expenses giving entitlement to a rebate	39
11.3	How to claim a rebate	40
11.4	Rebate application deadline	40
11.5	After you receive your QST rebate	40
11.6	Are you also entitled to a GST rebate?	41

This guide is provided for information purposes only. The information it contains does not constitute a legal interpretation of the *Taxation Act* or any other legislation.

This guide pertains to **2023** and to **subsequent years**, and applies until such time as legislative or administrative changes make a new version necessary.

6 For more information, contact us at one of the numbers or addresses given at the end of this guide.



1 INTRODUCTION

1.1 Is this guide for you?

Use this guide if you are an employee and your duties and employment conditions require you to incur expenses to earn employment income.

Note that for the most part employees cannot deduct employment expenses. For example, they cannot deduct expenses incurred to travel to and from work or parking fees paid at work.

You can also use this guide if you hold an office and are required to incur expenses to earn income.

Office

A position held by an individual that entitles the individual to a fixed or ascertainable stipend or remuneration, such as:

- the office of a person elected by popular vote, or selected or appointed in a representative capacity;
- the position of member of the board of directors of a body or corporation, even where the person who holds the position performs no administrative functions within the corporation.

1.2 About this guide

There is a separate section for each type of employee having employment expenses. This will allow you to find all the relevant information in one place. Subjects that concern more than one type of employee (such as motor vehicle expenses and capital cost allowance) are discussed in separate sections.

1.3 How to use the guide

We suggest that you begin by reading Part 2, which provides **general information** relating to employment expenses, such as expense allowances.

Next, consult one of parts 3 through 8, depending on the type of employee you are. Those parts provide information concerning the **expenses** you can deduct on line 207 of your income tax return, the **conditions** you must meet to be entitled to deduct expenses and the **forms** you must complete to claim the deductions.

Finally, Part 11 provides information about the **Québec sales tax (QST) rebate**. You may be entitled to this rebate if you paid QST on certain employment expenses.

This guide does not cover all possible cases. For more information, go to revenuquebec.ca or contact us at one of the addresses or numbers given at the end of this guide. On our website, you can also complete online, print out or order the forms relating to employment expenses.

1.4 Forms

Each type of employee must complete specific forms in order to claim deductions. See the table below.

Required forms, by employee type

Type of employee	Forms to be completed (versions dated 2019-10 and later)
Salaried employee Employee who earns commissions	<ul style="list-style-type: none">• <i>Employment Expenses of Salaried Employees and Employees Who Earn Commissions</i> (TP-59-V)• <i>General Employment Conditions</i> (TP-64.3)
Transport employee	<i>Employment Expenses of Transport Employees</i> (TP-66-V)
Forestry worker	<i>Employment Expenses of Forestry Workers</i> (TP-78-V) NOTE A forestry worker can use this form to apply for the deduction related to motor vehicle expenses.
Salaried tradesperson (such as a hairdresser, cook, plumber or apprentice mechanic)	<i>Employment Expenses of Salaried Tradespeople</i> (TP-75.2-V)
Salaried musician	<i>Employment Expenses of Salaried Musicians</i> (TP-78.4-V) To apply for a deduction for expenses other than expenses related to musical instruments: <ul style="list-style-type: none">• <i>Employment Expenses of Salaried Employees and Employees Who Earn Commissions</i> (TP-59-V)• <i>General Employment Conditions</i> (TP-64.3-V)

1.5 Abbreviations used in this guide

AIP	Accelerated investment incentive property
ATV	All-terrain vehicle
CCA	Capital cost allowance
FMV	Fair market value
GST	Goods and services tax
HST	Harmonized sales tax
QPIP	Québec parental insurance plan
QPP	Québec Pension Plan
QST	Québec sales tax
RPP	Registered pension plan
UCC	Undepreciated capital cost

For the sake of conciseness, GST/HST is referred to in this guide as simply GST.



2 GENERAL INFORMATION

2.1 Records, receipts and supporting documents

For each year for which you claim a deduction for employment expenses, you must keep records that contain:

- a daily summary of your expenses, along with your receipts and cancelled cheques;
- ticket stubs (bus, train, airplane, etc.);
- invoices and monthly credit card statements; and
- the purchase date and price of each motor vehicle or musical instrument you use, along with the date it was sold or traded in and the amount received.

If you use your motor vehicle to earn employment income, your records must include additional information. See section 9.2.

You are not required to enclose your records, receipts and supporting documents with your income tax return unless we ask you to. However, you must generally keep them for at least six years after the end of the taxation year to which they relate in case we ask for them.

2.2 Expense allowances, advances and reimbursements

2.2.1 General principles

Employers generally use the following to compensate employees for expenses they incur in the course of their duties:

- expense allowances;
- accountable advances; and
- reimbursements of expenses.

Expense allowance

A predetermined amount paid by an employer to an employee, in addition to salary or wages, to cover all or only certain specific expenses provided for under the employment contract. The employee is not required to account for their use of an expense allowance.

NOTE

The amount of the allowance may not correspond to the amount of expenses incurred by the employee. Also, the type of expenses for which the allowance is intended may differ from the type of expenses actually incurred.

Accountable advance

An amount paid by an employer to an employee to cover expenses the employee will be required to incur in the course of their duties. The employee is required to account for their use of the advance by submitting supporting documents.

NOTE

The employee must return any unspent balance to the employer.

Reimbursement of expenses

An amount paid by an employer to an employee on proof that the expenses were actually incurred.

NOTE

The amount reimbursed always corresponds exactly to the amount of expenses incurred, since the reimbursement is made after the expenses are incurred.

2.2.2 Is the amount received reasonable?

An **allowance for the use of a motor vehicle** is typically considered reasonable if:

- the allowance is calculated solely on the basis of the number of kilometres actually travelled in the performance of your duties;
- the per-kilometre rate is reasonable; and
- you do not also receive a full or partial reimbursement of the expenses you incurred for the use of the vehicle.

Exception

If you receive a **reimbursement** of supplementary commercial automobile insurance, tolls or ferry charges that were not covered by the allowance you received, the allowance is considered reasonable.

An **allowance for travel expenses** is typically considered reasonable if it is calculated on the basis of the actual travel expenses that you are required to incur when travelling in the performance of your duties. For example, if you are an employee who earns commissions and you receive an allowance for travel expenses for a period during which you do not travel to carry out your duties, the allowance is not considered reasonable.

Travel expenses

Expenses incurred for meals and beverages, accommodation and transportation.

NOTE

Travel expenses do not include motor vehicle expenses.



3 SALARIED EMPLOYEES

If you are a salaried employee, you may be able to claim a deduction for certain expenses you incurred to earn employment income.

3.1 General conditions

You can deduct the expenses you incurred to earn employment income, if:

- your employment contract stipulates that you are required to pay your own expenses; and
- you were not reimbursed for the expenses and are not entitled to a reimbursement.

NOTE

If your employer reimbursed a portion of your expenses, you can claim a deduction only for the portion that was not reimbursed.

3.2 Documents to enclose with your income tax return

To claim a deduction or a QST rebate for your employment expenses, you must enclose the following with your income tax return:

- form TP-64.3-V, *General Employment Conditions*, **duly completed by your employer**;
- form TP-59-V, *Employment Expenses of Salaried Employees and Employees Who Earn Commissions*, or a detailed statement of your expenses; and
- form VD-358-V, *Québec Sales Tax Rebate for Employees and Partners*, if applicable.

3.3 Deductible expenses

This section provides information about deductible expenses and the specific conditions, in addition to the general conditions set out in section 3.1, that you must meet to be entitled to deduct such expenses. **Personal or unreasonable expenses are not deductible.**

GST and QST

The amount of deductible expenses includes any GST and QST that you paid on these expenses.

If you deduct these expenses from your employment income, you may be entitled to a QST rebate. See Part 11.

3.3.1 Motor vehicle expenses, including capital cost allowance (CCA)

As a rule, if you received a **reasonable allowance** for the use of a motor vehicle and you are not required to include the allowance in your income, you cannot deduct the expenses covered by the allowance. See section 2.2 for information about expense allowances.

To be able to deduct the motor vehicle expenses you incurred to earn employment income, you must do some or all of your work away from your employer's place of business or at different locations. See Part 9 for information about the motor vehicle expenses you can deduct.

3.3.2 Travel expenses

As a rule, if you received a **reasonable allowance** for travel expenses and you are not required to include the allowance in your income, you cannot deduct the expenses covered by the allowance. However, if, for example, you incurred meal and accommodation expenses, and you received a reasonable allowance that covers only your meal expenses, you can deduct your accommodation expenses. See section 2.2 for information about expense allowances.

To be able to deduct the travel expenses you incurred to earn employment income, you must do some or all of your work away from your employer's place of business or at different locations.

Meals and beverages

If your duties required you to spend at least 12 hours away from the municipality or metropolitan area where your employer's place of business (to which you ordinarily report for work) is located, you can claim a deduction for the cost of your meals during that period of time.

However, the amount that you can deduct is **limited to 50%** of the lesser of:

- the amount of expenses actually incurred (that is, the expenses paid **minus** any reimbursement received from your employer);
- an amount that is reasonable in the circumstances.

If you are required to travel by airplane, train or bus for your work and the meals served on board are included in the ticket price, you can claim a deduction for the total cost of the meals.



Accommodation

If your duties required you to incur accommodation expenses, such as the cost of a hotel or motel room, you can deduct these expenses, provided they are reasonable.

Transportation

If your duties required you to incur expenses for transportation (for example, by bus, airplane, ferry, train or taxi), you can deduct these expenses. However, you cannot deduct expenses incurred for travel between your home and your employer's place of business.

3.3.3 Parking fees

You can deduct parking fees that relate to your employment income. However, fees you pay to park at your employer's place of business, such as daily or monthly parking fees, are considered personal expenses and are not deductible.

3.3.4 Cost of supplies

You can deduct the purchase price or replacement cost of supplies that you use directly in your work and that are not used elsewhere. You can also deduct an amount for supplies your employer paid on your behalf, provided the amount is reported on your RL-1 slip.

Examples of supplies are listed below.

Office supplies

You **can deduct** the cost of office supplies (paper, pencils, pens, staples, paper clips, envelopes, etc.) and postage.

However, you **cannot deduct**:

- the cost of books, briefcases or calculators;
- the cost of subscriptions to periodicals;
- the rental cost for computers, printers or fax machines;
- the purchase price of computers, printers or fax machines;
- CCA or the interest paid on a loan taken out to purchase items such as computers or fax machines.

Special items

You **can deduct** the cost of special items such as road maps, dynamite used by miners, and compresses, bandages and medicines used by people providing medical or paramedical services that you may be required to use in your work.

However, you **cannot deduct** the cost of work tools generally considered to be equipment, the cost of footwear or uniforms, or the cost of having such clothing cleaned.

Telecommunications expenses

You **can deduct** the following telecommunications expenses, **provided they are directly related to the work you do**:

- charges for long-distance calls;
- charges for cellular calls (including costs incurred to acquire a package or prepaid air time, provided you calculate these costs in proportion to your use of the telephone in the performance of your duties);
- the cost of sending telegrams;
- the portion of an Internet service package that is reasonably attributable to the work you do.

However, you **cannot deduct**:

- the basic monthly charge for telephone service;
- the charges for an Internet connection;
- the cost of leasing a pager;
- the purchase price of a cell phone;
- the cost of having a cell phone licensed, connected or cancelled.

3.3.5 Other expenses

You can deduct certain other expenses related to your employment income. You can also deduct an amount for such expenses paid by your employer on your behalf, provided that amount is reported on your RL-1 slip.

The following are examples of other expenses.

Salary or wages paid to an assistant or substitute

You can deduct the salary or wages you paid to an assistant or substitute (who may be your spouse or de facto spouse). Note that you must file an RL-1 slip to report the salary or wages.

As the employer of an assistant or substitute, you can also deduct the employer contributions you paid during the year, such as Employment Insurance premiums, Québec Pension Plan (QPP) contributions, the health services fund contribution and the Québec parental insurance plan (QPIP) premium.



Leased office space

If your office is located in a leased space that is not part of your principal residence, you can deduct certain amounts paid with respect to that space. To find out which expenses related to your leased office space are deductible, see the table below.

Type of expense	Is the expense deductible?
Maintenance costs, such as the cost of utilities (heating, electricity and water), lighting accessories (bulbs, fluorescent tubes, etc.), cleaning products and minor repairs	Yes
Insurance premiums, property taxes and other taxes relating to your office space	No
Rent for your office space	Yes
CCA for the furniture and equipment in your office space	No
Storage costs for goods	No

If you use your office space for purposes other than those related to your employment (for example, for personal purposes, business purposes or the purposes of other employment), you must calculate your deductible office expenses on the basis of your use of the office space for the purposes of your employment.

3.3.6 Home office expenses

If your office is located in your principal residence, you can claim office expenses whether you rent or own the residence, **provided** you:

- performed more than 50% of your employment duties in the office space; **or**
- used the office space exclusively to earn income from your employment and to meet clients or other people on a regular and ongoing basis in the normal course of your duties.

To find out which home office expenses are deductible, see the table below.

Type of expense	Is the expense deductible?
Maintenance costs, such as the cost of utilities (heating, electricity and water), lighting accessories (bulbs, fluorescent tubes, etc.), cleaning products and minor repairs	Yes
Insurance premiums, property taxes and other taxes relating to your office space	No
Rent for your office space, if you are the lessee of the place (apartment, condominium or residential home) where your office space is located	Yes
Rental value of your office space, if you are the owner or co-owner of the place (condominium or residential home) where your office space is located	No
CCA for the furniture and equipment in your office space	No
Mortgage interest and CCA relating to your office space	No
Storage costs for goods	No

Percentage of use of the residence

The home office expenses you can deduct must be calculated on a reasonable basis (such as the percentage of the surface area of your entire residence that is used for office space). You must also take into account your use of this space for purposes other than those related to your employment (for example, for personal purposes, business purposes or the purposes of other employment). If you are co-owner or co-lessee, you can only deduct the portion of expenses you personally incurred.



Limit on the deduction

The deduction you can claim for home office expenses must not exceed the result of the following calculation:

- the employment income you earned in the year, **minus**
- your other employment expenses and related deductions (including your contributions to a registered pension plan (RPP) and any reimbursement of salary or wages).

Example

Your work space occupies 25% of the overall surface area of your residence, and you use the work space for the purposes of your employment in a proportion of 80%.

You can claim a deduction, but it must not exceed your income for the year from the employment concerned, **minus** your other employment expenses and related deductions.

If you **rent your residence**, you can deduct:

- 20% (that is, $25\% \times 80\%$) of the rent; and
- 20% of the cost of maintenance and minor repairs not included in the rent.

If you **own your residence**, you can deduct 20% (that is, 25% of 80%) of the cost of maintenance and minor repairs.

Carry-forward of office expenses

Office expenses you cannot deduct because of the limit can be carried forward to the following year, provided they are for the same employment. However, you cannot carry forward expenses to create or increase a loss from employment.

This means that when you calculate the deduction in the following year, you can deduct from your income for the same employment the expenses carried forward from the previous year **plus** the expenses for the current year. If the expenses total more than the limit, any expenses you cannot deduct can be deducted the following year, provided they are for the same employment.



4 EMPLOYEES WHO EARN COMMISSIONS

If you sell property or negotiate contracts for your employer, you may be able to claim a deduction for some of the expenses you incurred to earn your employment income.

4.1 General conditions

You can deduct the expenses you incurred to earn employment income if:

- your employment contract stipulates that you are required to pay your own expenses;
- you do some or all of your work away from your employer's place of business or at different locations;
- you are paid in whole or in part by commissions or similar amounts based on the sales you make or the contracts you negotiate for your employer; and
- you were not reimbursed for the expenses and are not entitled to a reimbursement.

NOTE

If your employer reimbursed a portion of your expenses, you can claim a deduction only for the portion that was not reimbursed.

4.2 Documents to enclose with your income tax return

To claim a deduction for your employment expenses or a QST rebate, you must enclose the following with your income tax return:

- form TP-64.3-V, *General Employment Conditions*, **duly completed by your employer**;
- form TP-59-V, *Employment Expenses of Salaried Employees and Employees Who Earn Commissions*, or a detailed statement of your expenses; and
- form VD-358-V, *Québec Sales Tax Rebate for Employees and Partners*, if applicable.

4.3 Two ways to deduct your employment expenses

You can claim a deduction for your employment expenses either:

- as an employee who earns commissions (this part provides all the information in that regard); or
- as a salaried employee (Part 3 provides all the information in that regard).

Which is more advantageous?

You can deduct more expenses as an employee who earns commissions than as a salaried employee. However, as an employee who earns commissions, the deduction you can claim for certain expenses **is limited** to the amount of commissions or similar amounts that you received in the year for your employment.

Note that the deduction of the following expenses, which can also be deducted by salaried employees, **is not limited** to the amount of your commissions:

- office rent;
- expenses paid to maintain an office in your home, **except** for the following office-related expenses, for which the deduction **is limited to the amount of your commissions**:
 - property taxes,
 - other taxes,
 - insurance premiums;
- the cost of the supplies used in the performance of your duties;
- the salary or wages paid to an assistant;
- CCA on your automobile and the interest paid on a loan taken out to purchase it;
- travel expenses (meal, accommodation and transportation expenses) and motor vehicle expenses (fuel, maintenance and repairs, insurance, vehicle registration, driver's licence and parking fees), **except** if you deduct expenses other than those mentioned in the previous points (in which case the deduction for travel expenses and motor vehicle expenses is limited to the amount of your commissions).

If your total expenses exceed the commissions or similar amounts that you received, it may be more advantageous for you to deduct your employment expenses as a salaried employee.



Example

You are a representative for a pharmaceutical company. The information contained in your records for the year is as follows:

Employment income

Salary or wages received		\$35,000
Commissions received	+	\$8,000
	=	\$43,000

Employment expenses

Advertising and promotion expenses (only employees who earn commissions)		\$1,000
Entertainment expenses (only employees who earn commissions)	+	\$500
Travel expenses	+	\$6,000
Motor vehicle expenses	+	\$3,000
CCA	+	\$1,500
Interest	+	\$500
	=	\$12,500

Check whether you can deduct all these expenses and then determine whether it is more advantageous for you to calculate your deductible expenses as an employee who earns commissions or as a salaried employee.

Expenses that can be deducted as an employee who earns commissions

The following expenses are limited to the amount of your commissions (\$8,000):

Advertising and promotion expenses	\$1,000
Entertainment expenses	\$500
Travel expenses	\$6,000
Motor vehicle expenses	\$3,000

The following expenses are not limited:

CCA	\$1,500
Interest	\$500

As an employee who earns commissions, you can deduct the lesser of the following amounts:

- $\$1,000 + \$500 + \$6,000 + \$3,000 = \$10,500$
- Amount of your commissions: \$8,000

The amount that can be deducted as an employee who earns commissions is calculated as follows:
 $\$8,000 + \text{expenses that are not limited (that is, } \$1,500 \text{ and } \$500) = \$10,000$



Expenses that can be deducted as a salaried employee

A salaried employee can deduct the following expenses:

Travel expenses	\$6,000
Motor vehicle expenses	\$3,000
CCA	\$1,500
Interest	\$500

The amount you can deduct as a salaried employee is calculated as follows: $\$6,000 + \$3,000 + \$1,500 + \$500 = \$11,000$

Consequently, it is to your advantage to deduct your expenses as a salaried employee.

4.4 Deductible expenses

This section provides information about deductible expenses and the specific conditions, in addition to the general conditions set out in section 4.1, that you must meet to be entitled to deduct such expenses. **Personal or unreasonable expenses are not deductible.**

GST and QST

The amount of deductible expenses includes any GST and QST that you paid on these expenses.

If you deduct such expenses from your employment income, you may be entitled to a QST rebate. See Part 11.

4.4.1 Accounting fees

You can deduct reasonable accounting fees that you paid to have your income tax return prepared.

4.4.2 Advertising and promotion expenses

You can deduct expenses incurred for advertising and promotion, such as the cost of:

- radio and television commercials;
- newspaper ads;
- business cards; and
- promotional gifts.

4.4.3 Entertainment expenses

You can deduct expenses you incurred for entertaining clients. Expenses you can deduct include the cost of food and beverages, admission to a show or sporting event, and rentals of hospitality suites for entertainment purposes.

Limit on the deduction

The deduction you can claim for entertainment expenses is generally **limited to 50%** of the lesser of:

- the amount of expenses actually incurred (that is, the expenses paid **minus** any reimbursement received from your employer);
- an amount that is reasonable in the circumstances.

Meals and beverages

You can claim a deduction for meals with your clients.

Special rules for cultural events

You can deduct the full amount of:

- the cost of a subscription to at least three different presentations of cultural events that take place in Québec;
- the cost of all or substantially all (90% or more) of the tickets for a presentation of a cultural event that takes place in Québec.

The **50% limit** does apply, however, to any portion of the cost of a ticket or subscription that relates to food or beverages.

Subscription

An agreement between a cultural events presenter and a client under which the client acquires a package put together by the presenter and consisting of a determined number of tickets for a cultural event.

Cultural events presenter

- A person or an organization whose mission is to present the performing arts and that is responsible for programming professional performances generating box office or subscription income.
- A manager or lessee of a venue for cultural events.



Cultural event

Any of the following events:

- a concert of a symphony orchestra or a classical music or jazz ensemble;
- an opera;
- a dance performance;
- a vocal performance by a vocal artist, provided the performance is not held in a venue normally used for sports events;
- a theatre performance;
- a performing arts variety show (for example, a comedy show or a musical theatre production); or
- a museum exhibit.

Recreational facility and club fees

You **cannot deduct** the following expenses:

- the cost incurred for the use or maintenance of a yacht, lodge, camp or golf course;
- the fees or dues paid to a club the main purpose of which is to provide dining, recreational or sporting facilities for its members.

4.4.4 Motor vehicle expenses (including capital cost allowance [CCA])

As a rule, if you received a **reasonable allowance** for the use of a motor vehicle and you are not required to include the allowance in your income, you cannot deduct the expenses covered by the allowance.

See section 2.2 for information about expense allowances.

See Part 9 for information about the motor vehicle expenses that you can deduct.

4.4.5 Travel expenses

As a rule, if you received a **reasonable allowance** for travel expenses and you are not required to include the allowance in your income, you cannot deduct the expenses covered by the allowance. However, if you incurred meal and accommodation expenses and you received a reasonable allowance that covers only your meal expenses, you can deduct your accommodation expenses.

See section 2.2 for information about expense allowances.

Meals and beverages

If your duties required you to spend at least 12 hours away from the municipality or metropolitan area where your employer's place of business (to which you ordinarily report for work) is located, you can claim a deduction for the cost of your meals during that period of time.

However, the amount that you can deduct is **limited to 50%** of the lesser of:

- the amount of expenses actually incurred (the expenses paid **minus** any reimbursement received from your employer);
- an amount that is reasonable in the circumstances.

If you are required to travel by airplane, train or bus for your work and the meals served on board are included in the ticket price, you can claim a deduction for the total cost of the meals.

Accommodation

If your duties required you to incur accommodation expenses, such as the cost of a hotel or motel room, you can deduct these expenses, provided they are reasonable.

Transportation

If your duties required you to incur expenses for transportation (for example, by bus, airplane, ferry, train or taxi), you **can deduct** these expenses. However, you **cannot deduct** expenses incurred for travel between your home and your employer's place of business.

4.4.6 Parking fees

You can deduct parking fees that relate to your employment income. However, fees you pay to park at your employer's place of business, such as daily or monthly parking fees, are considered personal expenses and are not deductible.

4.4.7 Cost of supplies

You can deduct the purchase price or replacement cost of supplies that you use directly in your work and that are not used elsewhere. You can also deduct an amount for supplies your employer paid on your behalf, provided the amount is reported on your RL-1 slip.

The following are examples of supplies.

Office supplies

You **can deduct** the cost of office supplies (paper, pencils, pens, staples, paper clips, envelopes, etc.) and postage.

However, you **cannot deduct**:

- the cost of books, briefcases or calculators;
- the cost of subscriptions to periodicals;
- the purchase price of computers or fax machines;
- CCA or the interest paid on a loan taken out to purchase items such as computers or fax machines.



Special items

You **can deduct** the cost of special items such as road maps that you may be required to use in your work.

However, you **cannot deduct** the cost of work tools generally considered to be equipment, the cost of footwear or uniforms, or the cost of having such clothing cleaned.

Telecommunications expenses

You **can deduct** the following telecommunications expenses, **provided they are directly related to the work you do**:

- charges for long-distance calls;
- charges for cellular calls (including costs incurred to acquire a package or prepaid air time, provided you calculate these costs in proportion to your use of the telephone in the performance of your duties);
- the cost of sending telegrams;
- the portion of an Internet service package that is reasonably attributable to the work you do.

However, you **cannot deduct**:

- the purchase price of a cell phone;
- the cost of having a cell phone licensed, connected or cancelled;
- the charges for an Internet connection.

4.4.8 Other expenses

You can deduct certain other expenses related to your employment income. You can also deduct an amount for such expenses paid by your employer on your behalf, provided that amount is reported on your RL-1 slip.

The following are examples of other expenses.

Surety bond fees

You can deduct the surety bond fees or civil liability insurance premiums you paid.

Commissions for leads

You can deduct commissions paid to a person for information leading to a sale. You must provide the person's name and address.

Permits and licences

You can deduct annual permit or licence fees if the type of work you do requires you to have a permit or licence. For example, real estate and insurance agents can claim the cost of their annual licences.

Training costs

You **can deduct** the cost of training courses you take to update or upgrade your skills or to maintain your qualifications or a title acquired for your work.

Motor vehicle expenses and travel expenses (meals, accommodation and transportation) incurred to take training courses can be deducted, provided the conditions set out in sections 4.1, 4.4.4 and 4.4.5 are met.

You **cannot deduct** the cost of courses that give you long-term benefits, such as a diploma, certificate or title.

If you cannot deduct a training cost as an employment expense, you may be able to claim it in calculating the tax credit for tuition and examination fees on your income tax return.

Equipment rental cost

You can deduct the basic monthly charge for telephone service or an Internet connection, **provided these means of telecommunications are used exclusively for your employment**.

If you rent a computer, cell phone, fax machine, pager or similar equipment, you can deduct the portion of the rental cost that relates to your commission income. However, you cannot deduct the purchase price of such equipment or the interest paid on a loan taken out to purchase the equipment.

Salary or wages paid to an assistant or substitute

You can deduct the salary or wages you paid to an assistant or substitute (who may be your spouse or de facto spouse). Note that you must file an RL-1 slip to report the salary or wages.

As the employer of an assistant or substitute, you can also deduct the employer contributions you paid for the year, such as Employment Insurance premiums, contributions to the Québec Pension Plan (QPP) and the health services fund, and the Québec parental insurance plan (QPIP) premium.



Leased office space

If your office is located in a leased space that is not part of your principal residence, you can deduct certain amounts paid with respect to that space. To find out which expenses related to your leased office space are deductible, see the table below.

Type of expense	Is the expense deductible?
Maintenance costs, such as the cost of utilities (heating, electricity and water), lighting accessories (bulbs, fluorescent tubes, etc.), cleaning products and minor repairs	Yes
Insurance premiums, property taxes and other taxes relating to your office space	Yes
Rent for your office space	Yes
CCA for the furniture and equipment in your office space	No
Storage costs for goods	No

If you use your office space for purposes other than those related to your employment (for example, for personal purposes, business purposes or the purposes of other employment), you must calculate your deductible office expenses on the basis of your use of the office space for the purposes of your employment.

4.4.9 Home office expenses

If your office is located in your principal residence, you can claim office expenses whether you rent or own the residence, provided you:

- performed more than 50% of your employment duties in the office space; **or**
- used the office space exclusively to earn income from your employment and to meet clients or other people on a regular and ongoing basis in the normal course of your duties.

To find out which home office expenses are deductible, see the table below.

Type of expense	Is the expense deductible?
Maintenance costs, such as the cost of utilities (heating, electricity and water), lighting accessories (bulbs, fluorescent tubes, etc.), cleaning products and minor repairs	Yes
Insurance premiums, property taxes and other taxes relating to your office space	Yes
Rent for your office space, if you are the lessee of the place (apartment, condominium or residential home) where your office space is located	Yes
Rental value of your office space, if you are the owner or co-owner of the place (condominium or residential home) where your office space is located	No
CCA for the furniture and equipment in your office space	No
Mortgage interest and CCA relating to your office space	No
Storage costs for goods	No

Percentage of use of the residence

The home office expenses you can deduct must be calculated on a reasonable basis (such as the percentage of the surface area of your entire residence that is used for office space). You must also take into account your use of this space for purposes other than those related to your employment (for example, for personal purposes, business purposes or the purposes of other employment). If you are co-owner or co-lessee, you can only deduct the portion of expenses you personally incurred.



Limit on the deduction

The deduction you can claim for home office expenses must not exceed the result of the following calculation:

- the employment income you earned in the year, **minus**
- your other employment expenses and related deductions (including your contributions to a registered pension plan (RPP) and any reimbursement of salary or wages).

Example

Your work space occupies 25% of the overall surface area of your residence, and you use the work space for the purposes of your employment in a proportion of 80%.

You can claim a deduction, but it must not exceed the income that you earned from the employment for the year, **minus** your other employment expenses and related deductions.

If you **rent your residence**, you can deduct:

- 20% (that is, $25\% \times 80\%$) of the rent;
- 20% of the cost of maintenance and minor repairs not included in the rent;
- 20% of the property taxes; and
- 20% of the other taxes and insurance premiums, if they relate to your residence, or 80%, if they relate solely to the office space.

If you **own your residence**, you can deduct:

- 20% (that is, $25\% \times 80\%$) of the cost of maintenance and minor repairs;
- 20% of the property taxes; and
- 20% of the other taxes and insurance premiums, if they relate to your residence, or 80%, if they relate solely to the office space.

Carry-forward of office expenses

Office expenses you cannot deduct because of the limit can be carried forward to the following year, provided they are for the same employment. However, you cannot carry forward expenses to create or increase a loss from employment.

This means that when you calculate the deduction in the following year, you can deduct from your income for the same employment the expenses carried forward from the previous year **plus** the expenses for the current year. If the expenses total more than the limit, any expenses you cannot deduct can be deducted the following year, provided they are for the same employment.



5 TRANSPORT EMPLOYEES

If you are an employee of a business whose principal activity is transport, an employee of a railway company or an employee who collects or delivers property on a regular basis, you may be entitled to claim a deduction for certain expenses you incurred to earn employment income.

5.1 General conditions

You can deduct the expenses you incurred to earn employment income provided you were not reimbursed for the expenses and are not entitled to a reimbursement.

NOTE

If your employer reimbursed a portion of your expenses, you can claim a deduction only for the portion that was not reimbursed.

5.2 Conditions and deductible expenses according to the type of employee

To deduct employment expenses, you must meet certain other conditions, according to the type of employee you are. The table below sets out these conditions and the expenses that each type of employee can deduct.

Conditions and deductible expenses according to the type of employee

Type of employee	Conditions	Deductible expenses
Employee of a business whose principal activity is transport	<ul style="list-style-type: none"> The principal activity of the business is the transport of goods and/or passengers. Your duties require you to travel on a regular basis, in vehicles used by your employer for transport, outside the municipality or metropolitan area where your employer's place of business (to which you ordinarily report for work) is located. 	Meal and accommodation expenses that you paid while you were away from that municipality or metropolitan area
Employee of a railway company ¹	<ul style="list-style-type: none"> You are employed as a relief station agent or as a maintenance and repair worker. You work elsewhere than at your ordinary place of residence. 	Meal and accommodation expenses
	<ul style="list-style-type: none"> You are employed in a capacity other than as a relief station agent or a maintenance and repair worker. You work at a place that is: <ul style="list-style-type: none"> outside the municipality or metropolitan area where the station to which you ordinarily report for work is located; and far enough from your home that you could not reasonably be expected to return there each day (your home being the place where you reside and support your spouse, de facto spouse or a dependant related to you by blood, marriage or adoption). 	Meal and accommodation expenses that you paid while working at such a place
Employee who collects or delivers property	<ul style="list-style-type: none"> The principal activity of the business is not the transport of goods and/or passengers. On a regular basis, you collect or deliver property for your employer, with vehicles used by the latter for the transport of property, outside the municipality or metropolitan area where your employer's place of business (to which you ordinarily report for work) is located. Your duties require you: <ul style="list-style-type: none"> to spend at least 12 consecutive hours away from the municipality or metropolitan region where your employer's place of business (to which you ordinarily report for work) is located; or to travel to a place at least 80 kilometres from that municipality or metropolitan area. 	Meal and accommodation expenses

1. If you cannot deduct your expenses as an employee of a railway company, you may be entitled to deduct them as an employee of a business whose principal activity is transport or as an employee who collects or delivers property.



5.3 Documents to enclose with your income tax return

To claim a deduction for your employment expenses or a QST rebate, you must enclose the following with your income tax return:

- form TP-66-V, *Employment Expenses of Transport Employees, duly completed by you and your employer* (see section 5.5 for information about how to complete the “Trip and expense summary” on this form); and
- form VD-358-V, *Québec Sales Tax Rebate for Employees and Partners*, if applicable.

5.4 Deductible expenses

This section provides information about deductible meal and accommodation expenses. **Personal or unreasonable expenses are not deductible.**

GST and QST

The amount of deductible expenses includes any GST and QST that you paid on these expenses.

If you deduct such expenses from your employment income, you may be entitled to a QST rebate. See Part 11.

Trips to the United States

To convert your costs to Canadian dollars, use the annual average exchange rate determined by the Bank of Canada and available on its website (bank-banque-canada.ca).

5.4.1 Meal expenses

You can use the detailed method, the simplified method or the batching method to calculate your deductible meal expenses. Once you choose a method, you must use it for the entire taxation year.

For each method, you must keep certain information in your records. The table below specifies the information to be kept in your records, the documents to be kept on file, the deductible expenses and the number of meals that are eligible according to the calculation method used.

Methods that can be used to calculate your meal expenses

Method	Information and documents to be kept on file	Deductible expenses	Number of eligible meals ²
Detailed method	<p>You must keep records of:</p> <ul style="list-style-type: none"> • the date the amount was paid; • the travel departure or arrival time; • the travel destination (for example, the name of the city); • the name of the restaurant to which the amount was paid; • the type of expense (for example, breakfast or lunch); • the amount paid. <p>You must keep your receipts in addition to the above information.</p>	Total of the expenses on your receipts	<ul style="list-style-type: none"> • 4- to 10-hour trip: one meal • Trip of more than 10 hours but less than 12 hours: two meals • 12- to 24-hour trip: three meals • Trip of more than 24 hours: one meal every four hours, to a maximum of three meals per 24-hour period
Simplified method	<p>You must keep records of:</p> <ul style="list-style-type: none"> • the travel departure date and time; • the destination; • the travel arrival date and time; • the number of hours spent away; • the number of kilometres travelled; • the number of eligible meals (see the column with that heading). <p>You are only required to keep the above information on file (you are not required to keep your receipts).</p>	<p>Trips within Canada: \$23 per meal, unless your employer asks you to pay less for a subsidized meal</p> <p>Trips to the United States: USD 23 per meal (before conversion to Canadian dollars)</p>	

2. Do not include any meals that you ordinarily could have had at home, depending on your departure or arrival time.



Method	Information and documents to be kept on file	Deductible expenses	Number of eligible meals ²
Batching method (to be used if you are part of a work crew that has access to cooking facilities and buys groceries to prepare meals for the crew)	You must keep records of your travel during the taxation year. You must also keep your receipts if more than \$46 per person per day is spent.	Trips within Canada: a maximum of \$46 per person per day Trips to the United States: a maximum of USD 46 per person per day (before conversion to Canadian dollars)	N/A

Limit on the deduction

The amount that you can deduct is **limited to 50%** of the lesser of:

- the amount of expenses actually incurred (that is, the amount of expenses paid during trips, other than the cost of meals brought from home, **minus** any reimbursement or allowance not subject to tax that you received or are entitled to receive for these expenses);
- an amount that is reasonable in the circumstances.

This limit applies regardless of the method you used throughout the year to calculate your deductible meal expenses.

Meal expenses over eligible periods of travel for long-haul truck drivers

You are considered a long-haul truck driver if your main employment duty is to drive a long-haul truck that transports goods.

A long-haul truck is a truck or tractor that is designed for hauling goods and that has a gross vehicle weight in excess of 11,788 kg.

An eligible period of travel for long-haul truck drivers is a period in which your duties require you to spend at least 24 consecutive hours away from the municipality or metropolitan region where your employer's place of business is located in order to transport goods to or from a location that is beyond a radius of at least 160 kilometres from your employer's place of business.

Your expenses for meals (food and beverages) consumed during eligible periods of travel are deductible at a **rate of 80%**.

5.4.2 Accommodation expenses

The amount of the deduction that you can claim for accommodation expenses corresponds to the result of the following calculation:

- the reasonable accommodation expenses that you paid in the performance of your duties (for example, the cost of a hotel or motel room), **minus**
- any reimbursement or allowance not subject to tax that you received or are entitled to receive for these expenses.

Note that you must keep your accommodation expense receipts, because you could be asked to provide them.

If you paid to take a shower, you can include the cost in your accommodation expenses. You are entitled to claim the cost of one shower for each 24-hour period. Without receipts for the **shower costs**, the deduction is limited to \$5 per shower, or USD 5 per shower (before conversion to Canadian dollars).

5.5 How to complete the "Trip and expense summary" on form TP-66-V

This section provides instructions to help you complete the "Trip and expense summary" on form TP-66-V.

General instruction

You must include on the same line of the summary all trips made to the same workplace outside the municipality or metropolitan area where your employer's place of business (to which you ordinarily report for work) is located.



Detailed instructions

Column A

Enter the number of days in the year that you spent away from the municipality or metropolitan area referred to in column D, during trips to the same workplace outside that municipality or area.

Column B

Enter the number of trips that you made in the year to the same workplace outside the municipality or metropolitan area referred to in column D.

Column C

Enter the average number of hours that you spent away from the municipality or metropolitan area referred to in column D.

Column D

Enter the name of the municipality or metropolitan area where your employer's place of business (to which you ordinarily report for work) is located.

Column E

Enter the name of the municipality or metropolitan area where the workplace outside the municipality or metropolitan area referred to in column D is located.

Column F

If you use the **detailed method** or the **simplified method**, you must first determine the maximum number of meals eligible for the deduction, based on the average number of hours per trip entered in column C.

Average number of hours per trip	Maximum number of eligible meals ³
4- to 10-hour trip	One meal
Trip of more than 10 hours but less than 12 hours	Two meals
12- to 24-hour trip	Three meals
Trip of more than 24 hours	One meal every 4 hours, to a maximum of three meals per 24-hour period

Then enter the result of one of the following calculations, as applicable:

- If the number of days (column A) is **less** than the number of trips (column B), multiply the number of meals eligible for the deduction by the number of days (column A).
- If the number of days (column A) is **greater** than the number of trips (column B), multiply the number of meals eligible for the deduction by the number of trips (column B).

If you use the **batching method**, enter the number of days from column A.

Column G

If you use the **detailed method**, enter the total of the expenses on your receipts.

You must respect the applicable limit of:

- \$23 per meal or USD 23 per meal (before conversion to Canadian dollars), for the **simplified method**; or
- \$46 per person per day or USD 46 per person per day (before conversion to Canadian dollars), for the **batching method**.

NOTE

To convert your costs to Canadian dollars, use the annual average exchange rate determined by the Bank of Canada and available on its website (bank-banque-canada.ca).

Column H

Enter the number of overnight stays for which you entered accommodation expenses.

Column I

Enter the costs you paid for your accommodation, according to your receipts. Include any costs you paid to take a shower. If you do not have receipts for your shower costs, the deduction is limited to \$5 per shower or USD 5 per shower (before conversion to Canadian dollars). Note that you are entitled to deduct the cost of one shower per 24-hour period.

NOTE

To convert your costs to Canadian dollars, use the annual average exchange rate determined by the Bank of Canada and available on its website (bank-banque-canada.ca).

3. Do not include any meals that you ordinarily could have had at home, depending on your departure or arrival time.



6 FORESTRY WORKERS

If you are employed as a forestry worker, you may be entitled to claim a deduction for certain expenses you incurred to earn employment income.

6.1 General conditions

You can deduct the expenses you incurred to earn employment income, provided you were not reimbursed for the expenses and are not entitled to a reimbursement.

NOTE

If your employer reimbursed a portion of your expenses, you can claim a deduction only for the portion that was not reimbursed.

6.2 Documents to enclose with your income tax return

To claim a deduction for your employment expenses or a QST rebate, you must enclose the following with your income tax return:

- form TP-78-V, *Employment Expenses of Forestry Workers*, **duly completed by you and your employer**; and
- form VD-358-V, *Québec Sales Tax Rebate for Employees and Partners*, if applicable.

6.3 Deductible expenses

This section provides information about deductible expenses and the specific conditions that you must meet to be entitled to deduct such expenses. **Personal or unreasonable expenses are not deductible.**

GST and QST

The amount of deductible expenses includes any GST and QST that you paid on these expenses.

If you deduct such expenses from your employment income, you may be entitled to a QST rebate. See Part 11.

6.3.1 Chainsaw or brushcutter expenses

You can deduct the expenses relating to the use of a chainsaw, or to the regular and prolonged use of a brushcutter, which you incurred to earn employment income, **provided** your employment contract stipulates that, in the performance of your duties, you are required to supply a chainsaw or brushcutter, and to pay the expenses incurred for the use of that equipment.

Deductible expenses incurred for the use of such equipment include:

- the cost of fuel used (such as gasoline or oil);
- the cost of repairs (parts and labour, other than the value of unpaid labour);
- insurance premiums;
- the interest on a loan taken out to purchase a chainsaw or brushcutter;
- the rental cost of a chainsaw or brushcutter, where applicable; and
- the net cost of a chainsaw or brushcutter (that is, its purchase price **minus** any amount you received upon the sale or trade-in thereof, as applicable). This expense is deductible only for the year of purchase.



6.3.2 Snowmobile or all-terrain vehicle expenses

You can deduct the expenses relating to the use of a snowmobile or an all-terrain vehicle (ATV) that you incurred to earn employment income, **provided both of the following** apply to your situation:

- Your employment contract stipulates that, in the performance of your duties, you are required to supply a snowmobile or an ATV, and to pay the expenses incurred for the use of that type of vehicle.
- You are required to do some or all of your work away from your employer's place of business or at different locations.

Deductible expenses incurred for the use of such a vehicle include:

- the cost of fuel used (such as gasoline or oil);
- the cost of repairs; and
- insurance premiums.

Note that you cannot deduct such expenses for all the trips you make. See section 6.4.

6.3.3 Motor vehicle expenses, including capital cost allowance (CCA)

As a rule, if you received a **reasonable allowance** for the use of a motor vehicle and you are not required to include the allowance in your income, you cannot deduct the expenses covered by the allowance. See section 2.2 for information about expense allowances.

You can deduct the motor vehicle expenses that you incurred to earn employment income, **provided both of the following apply to your situation**:

- Your employment contract stipulates that you are required to pay the motor vehicle expenses incurred in the performance of your duties.
- You are required to do some or all of your work away from your employer's place of business or at different locations.

See Part 9 for information about the motor vehicle expenses that you can deduct.

Note that you cannot deduct such expenses for all the trips you make. See section 6.4.

6.4 Rules relating to travel

You can deduct expenses related to the use of a snowmobile, an ATV or a motor vehicle for certain trips that you made to earn employment income. See the table below for more information.

Type of travel	Are you entitled to deduct expenses for this type of travel?
Between your home and the logging camp (or an office of your employer)	No, because this camp (or office) is considered your employer's place of business.
Between your home and a cutting site	No, if you were required to report to the same site a number of times or on a regular basis during the same season. In such a case, the site is considered your employer's place of business. Yes, if, during the same season, you were required to change sites every week or every two weeks, and you did not return to the same site.
Between various cutting sites	Yes
Between various cutting sites	Yes
At a cutting site	Yes



7 SALARIED TRADESPEOPLE

If you are a salaried tradesperson (such as a hairdresser, cook, plumber or apprentice mechanic), you may be entitled to claim a deduction for **eligible tools** you purchased during the year to earn employment income.

If you are employed as an eligible apprentice mechanic, you may be entitled to an additional deduction for eligible tools you purchased in the year to earn employment income. Note that if this is the first time you have held such employment, you can also claim this deduction in respect of eligible tools purchased in the last three months of the previous year.

Eligible apprentice mechanic

An apprentice mechanic who:

- is registered in a program established in accordance with the laws of Canada or a province that leads to designation under those laws as a mechanic, automotive painter or auto body repairer licensed to repair self-propelled motorized vehicles (automobiles, trucks, aircraft, motorcycles, etc.); or
- holds an apprenticeship card issued by a parity committee of the automobile industry to obtain designation as a mechanic, automotive painter or auto body repairer licensed to repair self-propelled motorized vehicles.

Eligible tool

A new tool (including ancillary equipment) acquired for use by a salaried tradesperson in the course of their employment.

NOTE

Electronic communication devices and electronic data processing devices are not considered eligible tools, unless they are used solely to measure, locate or calculate.

7.1 General conditions

You can deduct the cost of an eligible tool, provided both of the following apply to your situation:

- Your employment contract stipulates that you are required to supply an eligible tool in the course of your employment.
- You were not reimbursed for the cost of the tools and are not entitled to a reimbursement.

NOTE

If your employer reimbursed all or a portion of the cost and the reimbursement was included in your income, you can deduct the total cost. However, if your employer did not include the reimbursement in your income, you can only deduct the portion of the cost that was not reimbursed.

7.2 Documents to enclose with your income tax return

To claim a deduction for your employment expenses or a QST rebate, you must enclose the following with your income tax return:

- form TP-75.2-V, *Employment Expenses of Salaried Tradespeople*, **duly completed by you and your employer**;
- a list of your eligible tools, **signed and dated by your employer**; and
- form VD-358-V, *Québec Sales Tax Rebate for Employees and Partners*, if applicable.

7.3 Deductible expenses

This section provides information about deductible expenses and the specific conditions that you must meet to be entitled to deduct such expenses. **Personal or unreasonable expenses are not deductible.**

GST and QST

The amount of deductible expenses includes any GST and QST that you paid on these expenses.

If you deduct such expenses from your employment income, you may be entitled to a QST rebate. See Part 11.

7.3.1 Eligible tool expenses for salaried tradespeople

If you are a salaried tradesperson and the cost of eligible tools you purchased during the year is more than \$1,325, use the following formula to calculate the maximum deduction you can claim.

The maximum deduction for eligible tools is the lesser of the following amounts:

- \$1,000
- the result, as applicable, of the formula **A – \$1,325** where

A = the lesser of the following amounts:

- the total cost of the eligible tools you purchased during the year; or
- your employment income for the year as a salaried tradesperson before the deduction for salaried tradespeople, **plus** the amounts that you received under the Apprenticeship Incentive Grant and Apprenticeship Completion Grant programs, which are administered by Employment and Social Development Canada, **minus** all amounts repaid under either program.

7.3.2 Eligible tool expenses for eligible apprentice mechanics

If you are an eligible apprentice mechanic, you can claim a deduction for the eligible tools you purchased in the year in addition to the deduction referred to in section 7.3.1. Use the following formula to calculate the maximum deduction you can claim for eligible tools purchased during the year.

Maximum deduction for eligible tools⁴ = (A – B) + C

where

A = the total cost of eligible tools you purchased in 2023⁵

B = the lesser of the following amounts:

- A
- The greater of the following amounts:
 - \$2,325;
 - 5% of your employment income as an apprentice mechanic before the deduction for apprentice mechanics, **plus** the amounts you received, **minus** the amounts you repaid under the Apprenticeship Incentive Grant and Apprenticeship Completion Grant programs, which are administered by Employment and Social Development Canada.

C = the amount, if applicable, of the maximum deduction for eligible tools that you calculated for 2022 and that you **did not** claim in 2022 (the amount from 2022 you carried forward to 2023, if applicable).

Carry-forward of the amount not deducted

Any amount that you cannot deduct for the year because of the limit can be carried forward to subsequent years, even if you are no longer employed as an eligible apprentice mechanic at that time.

7.4 Disposition of an eligible tool during the year

If you disposed of an eligible tool during the year, you may be required to include an amount in your income. Form TP-75.2-V, *Employment Expenses of Salaried Tradespeople*, will help you calculate this amount.

4. The deduction cannot be more than your net income from all sources for 2023; in other words, it must not create a loss.

5. If you become employed as an eligible apprentice mechanic for the first time during 2023, you will be able to increase the value of A by the cost of eligible tools you bought in the last three months of 2022.



8 SALARIED MUSICIANS

If you are a salaried musician, you may be entitled to claim a deduction for expenses related to the use of a **musical instrument** that you incurred to earn employment income and that you have not already deducted (for example, as a self-employed musician).

If your conditions of employment entitle you to claim a deduction for other employment expenses, see Part 3.

NOTE

You must determine whether your status is that of salaried musician or self-employed musician, because these two groups are entitled to different deductions. To help you determine your status, see *Employee or Self-Employed Person?* (IN-301-V), visit our website (revenuquebec.ca) or contact us.

8.1 Documents to enclose with your income tax return

To claim a deduction for your employment expenses or a QST rebate, you must enclose the following with your income tax return:

- form TP-78.4-V, *Employment Expenses of Salaried Musicians*;
- form TP-59-V, *Employment Expenses of Salaried Employees and Employees Who Earn Commissions*, or a detailed statement of your expenses, along with form TP-64.3-V, *General Employment Conditions*, **duly completed by your employer**, if you are deducting employment expenses other than those discussed in Part 8; and
- form VD-358-V, *Québec Sales Tax Rebate for Employees and Partners*, if applicable.

8.2 Musical-instrument expenses

You can deduct expenses related to the use of your musical instrument, **provided both of the following** apply to your situation:

- Your employment contract stipulates that, in the performance of your duties, you are required to supply a musical instrument and to pay the expenses incurred for its use.
- You were not reimbursed for the expenses and are not entitled to a reimbursement.

NOTE

If your employer reimbursed a portion of your expenses, you can claim a deduction only for the portion that was not reimbursed.

Deductible expenses related to your instrument include:

- maintenance costs;
- rental cost, where applicable;
- insurance premiums; and
- CCA, if you own the instrument (see Part 10 for more information about CCA).

Personal or unreasonable expenses are not deductible.

GST and QST

The amount of deductible expenses includes any GST and QST that you paid on these expenses.

If you deduct such expenses from your employment income, you may be entitled to a QST rebate. See Part 11.

Limit on the deduction

The deduction you can claim cannot be more than the income earned from your employment as a musician in the year **after subtracting** the other deductions related to this employment.

Instrument used for employment and other purposes

If you used your musical instrument for the purposes of your employment, for self-employment as a musician and for personal purposes, you can only deduct the portion of expenses relating to your employment. You must separate the expenses relating to your employment from those relating to your self-employment to determine the portion of expenses you can claim.

As a self-employed musician, you may be entitled to deduct the portion of expenses relating to your self-employment. For more information about the expenses that a self-employed worker can deduct, see *Business and Professional Income* (IN-155-V).

However, you cannot deduct the portion of expenses relating to your personal use.



9 MOTOR VEHICLE EXPENSES

9.1 Are you entitled to deduct your motor vehicle expenses?

You can deduct expenses related to a motor vehicle that you use to earn employment income, if:

- you are a **salaried employee** and you meet the conditions set out in sections 3.1 and 3.3.1;
- you are an **employee who earns commissions** and you meet the conditions set out in sections 4.1 and 4.4.4; or
- you are a **forestry worker** and you meet the conditions set out in sections 6.1 and 6.3.3.

In general, you cannot deduct motor vehicle expenses if you received a **reasonable allowance** for the use of a motor vehicle and you are not required to include the allowance in your income. See section 2.2.

9.2 Keeping records

You must keep records for each motor vehicle that you use to earn employment income. These records must include the total number of kilometres travelled during the year and the total number of kilometres travelled during the year exclusively for your employment. They must also include the vehicle's odometer reading (in kilometres) at the beginning and at the end of the year, or at the time of acquisition, sale or trade-in.

You must also create a summary for each trip you made to earn employment income, specifying the date, destination, purpose of the trip and the number of kilometres travelled.

9.3 Two types of vehicles

It is important to determine the type of vehicle for which you are claiming a deduction. If your vehicle is classified as an **automobile**, the amounts that you can deduct as interest, leasing expenses or CCA are limited.

Motor vehicle

An automotive vehicle designed or adapted to be used on highways and streets, other than a trolleybus or a vehicle designed or adapted to be operated exclusively on rails.

Automobile

A motor vehicle that is designed or adapted primarily to carry individuals on highways and streets, and that has a maximum seating capacity of nine, including the driver, other than:

- an ambulance;
- a clearly marked emergency medical response vehicle that is used to carry paramedics and their emergency medical equipment;
- a motor vehicle acquired or leased primarily (more than 50%) for use as a taxi;
- a bus used to carry on a business of transporting passengers;
- a hearse used to carry on a funeral business;
- a motor vehicle acquired or leased to be sold or leased in the course of carrying on a business of selling or leasing motor vehicles;
- a motor vehicle used by a funeral business to transport passengers;
- a pick-up truck, van or similar vehicle that, during the taxation year in which it is acquired or leased:
 - is used primarily (more than 50%) to transport goods or equipment to earn income, and has a maximum seating capacity of three, including the driver, or
 - is used entirely or substantially (90% or more) to transport goods, equipment or passengers to earn income, regardless of the seating capacity;
- a pick-up truck, if:
 - during the year in which the pick-up truck is acquired or leased, it is used primarily to transport goods, equipment or passengers to earn income at a location in Canada,
 - any of the occupants of the vehicle works at a special work site where that individual performs temporary duties or at a location that is so remote from any established community that the individual could not establish or maintain a dwelling there, and
 - the special work site or remote location is 30 kilometres or more from a population center with a population of at least 40,000 inhabitants.



9.4 Expenses related to the use of a motor vehicle

You can deduct the following from your income:

- the cost of fuel (gasoline, oil, propane);
- maintenance costs (for example, costs incurred for washing, lubrication and tune-ups, and costs in respect of an extended warranty, rust-proofing treatment, and treatments to protect the paint and upholstery);
- repair costs (other than accident repairs);
- accident repair costs, provided the vehicle was being used in the performance of your employment duties at the time of the accident (in such a case, you can deduct an amount equal to the repair costs incurred **minus** the insurance proceeds);
- insurance premiums;
- charges for vehicle registration and a driver's licence;
- CCA (see Part 10);
- interest paid on a loan taken out to purchase the vehicle (see section 9.4.1); and
- the cost of leasing the vehicle (see section 9.4.2).

9.4.1 Interest paid on a loan

You can deduct the interest you paid in the year on a loan taken out to purchase a motor vehicle you use to earn employment income.

However, if the vehicle you purchased is an **automobile** (see the definition in section 9.3), the deduction is limited. In that case, complete the work chart below to calculate the amount of eligible interest expenses for an automobile.

Work chart Eligible interest expenses for an automobile

Interest paid in the year for the automobile			1	<input type="text"/>
Number of days for which the interest was paid		2		<input type="text"/>
Daily rate ⁶	×	3		<input type="text"/>
Multiply line 2 by line 3.	=		4	<input type="text"/>
Enter the amount from line 1 or line 4, whichever is less. Eligible interest expenses for the automobile			5	<input type="text"/>

6. For a vehicle acquired after 2000, enter \$10. For a vehicle acquired after 1996 but before 2001, see the 2017 version of this guide.

9.4.2 Leasing expenses

You can deduct the cost, paid in the year, of leasing a motor vehicle that you use to earn employment income.

However, if you leased a vehicle that is an **automobile** (see the definition in section 9.3), the deduction is limited. In that case, complete the work chart on the next page to calculate the amount of eligible automobile leasing expenses for a lease entered into after December 31, 2022. If the lease was entered into before January 1, 2023, see the applicable work chart in the 2022 version of this guide.

If you leased more than one automobile, complete a separate work chart for each automobile and then add the amounts on line 19 of each work chart.

Work chart Eligible automobile leasing expenses (lease entered into after December 31, 2022)

Daily amount for automobile leasing expenses ⁷				1	
Total number of days since the start of the lease			×	2	
Multiply line 1 by line 2.			=	3	
Total automobile leasing expenses deducted in previous years	4				
Total interest that you may have received on refundable amounts since the start of the lease ⁸	+	5			
Total refunds to which you have been entitled since the start of the lease in respect of leasing expenses (other than GST and QST rebates granted)	+	6			
Add lines 4 through 6.	=			7	
Subtract line 7 from line 3.			=	8	
Automobile leasing expenses paid in the year ⁹				9	
The manufacturer's suggested list price for the automobile (excluding taxes) ¹⁰			÷	10	
Divide line 9 by line 10.			=	11	
Price ceiling for the automobile ¹¹			×	12	
Multiply line 11 by line 12.			=	13	
Enter the amount from line 9 or line 13, whichever is less.				14	
Total interest that you may have received on refundable amounts in the year ¹²	15				
Total reimbursements of leasing expenses (other than GST and QST rebates granted) to which you have been entitled in the year	+	16			
Add lines 15 and 16.	=			17	
Subtract line 17 from line 14.			=	18	
Enter the amount from line 8 or line 18, whichever is less.				19	Eligible automobile leasing expenses

7. For a lease entered into after December 31, 2022, enter \$31.67, **plus** the taxes calculated on that amount. Taxes include GST and QST (or any other provincial sales tax).
8. To calculate the amount to be entered on this line, first determine the total of the reimbursable amounts using the following formula: the automobile leasing expenses you paid that will be reimbursed to you at a later time (such as a deposit), **minus** \$1,000. In doing this calculation, do not take into account any GST or QST rebates that you have received.
Next, multiply the reimbursable amounts by the prescribed interest rate for the quarter as follows:
 - 3.75% from January 1, 2023, to March 31, 2023;
 - 4.25% from April 1, 2023, to June 30, 2023;
 - 4% from July 1, 2023, to September 30, 2023;
 - 4.50% from October 1, 2023, to December 31, 2023.
9. These expenses include the taxes, and the insurance and maintenance costs paid under the lease.
10. If the amount on line 10 is less than the price ceiling for the automobile (see note 11), go directly to line 14 and enter the amount from line 9. Otherwise, complete lines 11 through 13.
11. For a lease entered into after December 31, 2022, the price ceiling for the leased automobile is \$42,353, **plus** the taxes calculated on that amount.
12. See note 8.



9.5 Do you co-own or jointly lease an automobile?

If you own or lease an automobile (see the definition in section 9.3) with one or more persons, you must reduce the maximum amount used to calculate CCA, interest or leasing expenses according to your share in the vehicle. The total deduction the co-owners or co-lessees can claim cannot be more than what would be allowed if one person owned or leased the automobile.

9.6 Vehicle used for employment and other purposes

If you use your vehicle for employment and other purposes (for example, for personal purposes or for the purposes of another employment), you can deduct only the portion of the expenses that relate to your employment. Note that **travel between your home and your workplace is considered travel for personal purposes**.

To determine what portion of your expenses you can deduct, you must apply the **percentage of use of the vehicle for employment purposes**, which is typically calculated using the following formula:

$$\frac{\text{Number of kilometres travelled during the year exclusively for the purposes of your employment}}{\text{Total number of kilometres travelled during the year for the purposes of your employment and for other purposes}} \times 100$$

Example

Number of kilometres travelled during the year exclusively for the purposes of your employment: 15,000 km

Total number of kilometres travelled during the year for the purposes of your employment and for other purposes: 20,000 km

Percentage of use for employment purposes:

$$(15,000 \div 20,000) \times 100 = 75\%$$

If your expenses total \$5,000, you can claim a deduction of \$3,750 (\$5,000 × 75%).



10 CAPITAL COST ALLOWANCE

You cannot deduct the cost of a motor vehicle or musical instrument that you use to earn employment income. However, since the vehicle or instrument depreciates over the years, you can deduct a portion of its cost each year by claiming capital cost allowance (CCA).

10.1 Can you claim CCA?

You can claim CCA for a motor vehicle if:

- you are a **salaried employee** and you meet the conditions set out in sections 3.1 and 3.3.1;
- you are an **employee who earns commissions** and you meet the conditions set out in sections 4.1 and 4.4.4; or
- you are a **forestry worker** and you meet the conditions set out in sections 6.1 and 6.3.3.

You can claim CCA for a musical instrument if you are a **salaried musician** and you meet the conditions set out in section 8.2.

10.2 Rules regarding CCA

In general, to claim CCA for a motor vehicle or musical instrument for a year, you must have been using the vehicle or instrument for the purposes of your employment **on December 31 of that year**.

Even if you did not use your property for your employment throughout the year, you can claim CCA for the entire year, provided you were using your property for the purposes of your employment on December 31 of that year.

In certain special cases, you can claim CCA even if you were no longer using your property for the purposes of your employment on December 31 of the year. See the table below for more details.

Summary of the rules regarding CCA

Use of the property for employment	Rule regarding CCA
The entire year	You can claim CCA for the entire year.
A portion of the year including December 31	
A portion of the year excluding December 31 ¹³	As a rule, you cannot claim CCA for your property for the year. Special cases <ul style="list-style-type: none"> • If your property is a motor vehicle that you ceased to use for your employment for special reasons (for example, temporary or periodic layoff) and upon your return to work, the nature of your employment remains the same, you can claim CCA for the entire year. • If your property is a class 10.1 motor vehicle (see section 10.3 on the next page) that you ceased to use for your employment or disposed of during the year, and you were using it on December 31 of the previous year, you can claim half of the CCA you could have claimed had you used your vehicle throughout the year.

13. At the end of the year, if you no longer have any class 8 or 10 property (see section 10.3), you cannot claim CCA for that class.



10.3 Classes of depreciable property

Depreciable property ordinarily belongs to a particular class. To claim CCA for a motor vehicle or musical instrument, you must know to which class it belongs.

If you have already claimed CCA for your property, the class to which it belongs remains the same. Also, if you acquired property from a person with whom you were not dealing at arm's length (generally a person related to you), the property belongs to the same class to which it belonged when the other person acquired it.

If you do not know to which class your property belongs, refer to sections 10.3.1 through 10.3.5.

10.3.1 Class 8

Class 8 includes musical instruments. The CCA rate for this class is 20%.

10.3.2 Class 10

Class 10 includes all motor vehicles, except certain automobiles. An automobile can belong to class 10, 10.1 or 54. Sections 10.3.4 and 10.3.5 explain how to determine the class to which your automobile belongs.

The CCA rate for class 10 is 30%.

10.3.3 Class 10.1

Class 10.1 includes certain automobiles, except zero-emission vehicles in class 54. An automobile can belong to class 10, 10.1 or 54. Sections 10.3.4 and 10.3.5 explain how to determine the class to which your automobile belongs.

The CCA rate for class 10.1 is 30%. Note that a separate class 10.1 must be created for each automobile that belongs to this class.

10.3.4 Does your automobile belong to class 10 or 10.1?

What class your automobile belongs to depends on its acquisition date and cost (not including GST, QST or any other provincial sales tax).

If the automobile was acquired after December 31, 2022, and the acquisition cost is:

- \$36,000 or less, the automobile is in class 10;
- over \$36,000, the automobile is in class 10.1.

If the automobile was acquired before January 1, 2023, see the 2022 version of this guide.

10.3.5 Class 54

Class 54 includes zero-emission vehicles acquired and available for use **after March 18, 2019, but before 2028** that would have been included in class 10 or 10.1 if they had been acquired before March 19, 2019.

The CCA rate for class 54 is 30%.

10.4 Calculation of CCA

To calculate the CCA you can claim, you can complete the work chart in the "Capital cost allowance" section of one of the following forms, depending on your situation:

- form TP-59-V, *Employment Expenses of Salaried Employees and Employees Who Earn Commissions*;
- form TP-78-V, *Employment Expenses of Forestry Workers*; or
- form TP-78.4-V, *Employment Expenses of Salaried Musicians*.

Calculation of CCA for a motor vehicle

Since 2006, you have been required to use the capital cost of the vehicle as the base amount to calculate CCA. Thus, the amounts in columns 2, 3 and 4 must now include the cost of acquisitions or the proceeds of dispositions, instead of only the portion of that cost or those proceeds related to the use of the vehicle for employment purposes. The CCA that can be claimed is determined in Part 3 of form TP-59-V or in section 1.4 of form TP-78-V, as applicable.



10.5 How to complete the work chart in the CCA section of the forms

This section provides instructions on how to complete each column of the capital cost allowance work chart in forms TP-59-V, TP-78-V and TP-78.4-V.

Column 1 Class number

Read section 10.3 if you do not know the class to which your property belongs.

Column 2 Undepreciated capital cost (UCC) at the beginning of the year

Undepreciated capital cost (UCC)

As a rule, the capital cost of the property, minus the CCA already claimed, where applicable.

If, at the end of 2022, you were not using a musical instrument or motor vehicle for the purposes of your employment, go to column 3.

If, at the end of 2022, you were using such property for the purposes of your employment, you must enter in column 2 the UCC calculated at the end of this taxation year. This UCC appears in column 10 of the capital cost allowance work chart for 2022.

GST or QST rebate

If, during the year, you received a GST or QST rebate relating to CCA for a motor vehicle or a musical instrument, you must subtract the rebate from the UCC at the beginning of the year.

Column 3 Cost of acquisitions made in the year

You acquired property if, for example:

- you purchased the property; or
- you began to use for employment purposes property that you previously used solely for other purposes.

If, during the year, you **purchased** a motor vehicle or a musical instrument, you must enter in column 3 the capital cost of the property purchased.

If, during the year, you **began to use** for employment purposes a motor vehicle or a musical instrument that you previously used solely for other purposes, you must enter the lesser of:

- the fair market value (FMV) of the property at the time you began to use it for the purposes of your employment; or
- the capital cost of the property.

If, during the year, you acquired property from a person with whom you were not dealing at arm's length, contact us to find out the capital cost of the property.

Capital cost

The total amount paid at the time of purchase of the property, including:

- the trade-in allowance;
- the cost of all the accessories and equipment installed before or after delivery; and
- the GST and QST (or any other provincial sales tax) paid on the property.

Fair market value (FMV)

The amount it would cost to replace the property or the amount its owner would receive if the property were sold to a person with whom the owner is dealing at arm's length.

Limit for a class 10.1 automobile

If the property is a class 10.1 automobile that was acquired after December 31, 2022, you must limit its capital cost to \$36,000, plus the GST and QST (or any other provincial sales tax) calculated on \$34,000. If the automobile was acquired before January 1, 2023, see the 2022 version of this guide.

Example

In 2023, you purchased a class 10.1 automobile for \$38,000 (not including GST, QST or any other provincial sales tax). The capital cost you can use to calculate CCA is limited to \$36,000, plus the GST and QST (or any other provincial sales tax) calculated on \$36,000.

Limit for a class 54 automobile

If the property is a class 54 automobile that was acquired after December 31, 2022, you must limit its capital cost to \$61,000, plus the GST and QST (or any other provincial sales tax) calculated on \$61,000 that was not refunded to you. If the automobile was acquired before January 1, 2023, see the 2022 version of this guide.

Example

In 2023, you purchased a class 54 automobile for \$65,000 (not including GST, QST or any other provincial sales tax). The capital cost you can use to calculate CCA is limited to \$61,000, plus the GST and QST (or any other provincial sales tax) calculated on \$61,000.



Column 3.1 Cost of acquisitions referred to in column 3 that are AIPP

Enter the cost of acquisitions referred to in column 3 that are accelerated investment incentive property (AIPP), if applicable.

Column 3.1 is to be completed only for AIPP acquired after November 20, 2018, and available for use in the year. For more information, see *Business and Professional Income* (IN-155-V).

Column 4 Proceeds of dispositions made in the year

You disposed of property that you used for your employment if, for example:

- you sold it;
- you ceased to use it for your employment; or
- you traded it in to buy other such property.

If you disposed of a motor vehicle or a musical instrument in the year, you must enter the proceeds of disposition realized, which must not exceed the capital cost of the property.

Proceeds of disposition

As a rule, the selling price of the property or an indemnity received for property that was destroyed, damaged or stolen.

Column 5 UCC after acquisitions and dispositions

Do the required calculation in this column.

Special rule for classes 8 and 10

For property that belongs to one of these classes, you cannot claim CCA if:

- the result obtained in this column is negative. In this case, the amount is the recapture of CCA. The portion of this amount relating to the use of the property for the purposes of your employment must be carried to line 107 of your income tax return;
- the result obtained in this column is positive and you no longer have any property in this class at the end of the year. In this case, the amount is a terminal loss that you cannot deduct from your income.

Column 5.1 Proceeds of dispositions available to reduce the acquisitions of AIPP

Do the required calculation in this column.

Column 5.1 is to be completed only for AIPP acquired after November 20, 2018, which became available for use in the year. For more information, see IN-155-V.

Column 5.2 Adjustment of UCC on AIPP acquired in the year

Do the required calculation in this column.

The **variable** to use is equal to 0.5 if the calculation relates to property in classes 8, 10 and 10.1. It is equal to 7/3 if it relates to property in class 54. Note that the calculation should be made only if the property is AIPP that is available for use before 2024.

Column 5.2 is to be completed only for AIPP acquired after November 20, 2018, which became available for use in the year. For more information, see IN-155-V.

Column 6 Reduction

Do the required calculation in this column.

Column 7 Base amount to calculate the CCA

Do the required calculation in this column.

Special rule for class 10.1

If you disposed of your vehicle in the year and you were using it for the purposes of your employment on December 31 of the previous year, enter in this column half of the amount in column 2. If you acquired and disposed of your vehicle in the year, enter 0.

Column 8 Rates

The CCA rate is 20% for class 8 property and 30% for class 10, 10.1 or 54 property.



Column 9 CCA

Enter the CCA you are claiming for the year in this column.

To find out whether you can claim CCA, see section 10.2.

Maximum CCA

The CCA you are entitled to claim for class 8 property cannot exceed 20% of the amount in column 7.

The CCA you are entitled to claim for class 10, 10.1 or 54 property cannot exceed 30% of the amount in column 7.

You are not required to claim the maximum CCA for a given year. You may claim no CCA or any amount of CCA you want, up to the maximum allowed for the year.

Column 10 UCC at the end of the year

Do the required calculation in this column.

If you no longer have any property in this class at the end of the year, enter 0.

Date of acquisition and cost of property in classes 10.1 and 54 (forms TP-59-V and TP-78-V)

“Date of acquisition” column

If you acquired property in the year, enter the date you acquired it. For an automobile, select the line of the table based on the class number of the property entered in column 1.

“Cost of property” column

If you acquired property in the year, enter its purchase price (excluding GST, QST or any other provincial sales tax).



11 QST REBATE

11.1 Are you entitled to a QST rebate?

As a salaried employee, you are entitled to a Québec sales tax (QST) rebate if:

- you paid QST on certain employment expenses and you deducted these expenses on your income tax return; and
- your employer was a QST registrant at the time you incurred these expenses.

However, you are not entitled to the rebate if your employer is a listed financial institution.

A “listed financial institution” includes the following:

- a bank;
- a corporation that is authorized under the laws of Québec, another province, the Northwest Territories, Yukon, Nunavut or Canada to carry on in Canada the business of offering to the public its services as a trustee;
- a person whose principal business is as a dealer or trader in, or as a broker or salesperson of, financial instruments or money;
- a credit union;
- an insurer or any other person whose principal business is providing insurance under insurance policies;
- a segregated fund of an insurer;
- the Canada Deposit Insurance Corporation;
- a person whose principal business is the lending of money or the purchasing of debt securities or a combination thereof;
- an investment plan;
- a person providing tax discounting services;
- a corporation deemed under section 297.0.2.6 of the *Act respecting the Québec sales tax* to be a financial institution.

11.2 Expenses giving entitlement to a rebate

Refer to the table below to find out which expenses are eligible for a QST rebate.

Category	Type of expenses	Are the expenses eligible?
General	Accounting fees	Yes
	Advertising and promotion expenses	Yes
	Entertainment expenses	Yes
	Parking fees	Yes
	Professional dues	Yes
Travel expenses	Meals and beverages	Yes
	Accommodation, showers and transportation (for example, by taxi, airplane, ferry or bus)	Yes
Cost of supplies	Postage	Yes
	Telephone (long-distance charges)	Yes
	Cell phone (calling charges)	Yes
	Pager (service charges)	Yes
	Computer (Internet connection charges)	Yes
Other expenses	Liability insurance	No
	Professional fees	Yes
	Broker's licence	Yes
	Equipment rental cost (computer, telephone, cell phone, pager)	Yes
	Salary or wages paid to an assistant	No
	Commercial rent	Yes
Musical instruments and tools	Musical instruments (maintenance costs, rental cost and CCA)	Yes
	Chainsaws and brushcutters (repair costs, rental cost and purchase price)	Yes
	Eligible tools (deductible portion of purchase price)	Yes



Category	Type of expenses	Are the expenses eligible?
Motor vehicle expenses	Fuel	Yes
	Maintenance and repairs	Yes
	Insurance premiums	No
	Charges for vehicle registration and a driver's licence	No
	CCA	Yes
	Interest	No
	Leasing expenses	Yes
Office expenses	Utilities (heating, electricity and water)	Yes
	Maintenance and minor repairs	Yes
	Insurance premiums	No
	Property taxes and other taxes	No
	Residential rent	No

Note that you are not entitled to a rebate for:

- the personal-use portion of expenses;
- expenses for which you did not pay QST (for example, expenses that you incurred outside Québec);
- expenses you deducted at a time when your employer was not a QST registrant;
- expenses that are not related to the use of a motor vehicle and for which you received reasonable allowances not included in box A of your RL-1 slip;
- expenses that are related to the use of a motor vehicle and for which you received a reasonable allowance that covered **some or all of these expenses** and that was not included in box A of your RL-1 slip.

Exception

If you received a reasonable allowance for the use of your vehicle outside a given zone but did not receive a reasonable allowance for travel within the zone, you can claim a rebate of the QST paid on the expenses for which you did not receive an allowance.

An allowance considered to be reasonable by the employer but not by the employee

If your employer paid you an allowance that was not included in your income because the employer considered it to be reasonable, you are not entitled to a rebate of the QST paid on the expenses covered by the allowance.

If you do not consider the allowance paid to be reasonable, you must ask your employer to include the amount of the allowance in your income in order to claim a QST rebate. You are not entitled to the rebate until we receive an amended RL-1 slip from your employer.

11.3 How to claim a rebate

To claim a QST rebate, you must complete form VD-358-V, *Québec Sales Tax Rebate for Employees and Partners*. The amount of the rebate must be entered on line 459 of your Québec income tax return.

11.4 Rebate application deadline

As a rule, you must enclose form VD-358-V with your income tax return for the year for which you are deducting the expenses.

However, if you are unable to do so, you can send us the form within four years after the end of the year in which you incurred the expenses.

11.5 After you receive your QST rebate

You must include the amount of the rebate on line 107 of your Québec income tax return for the year in which you receive it.

However, you are not required to enter the following amounts on line 107:

- the portion of the rebate relating to CCA for an automobile or a musical instrument (instead, in the income tax return completed for the year you receive the rebate, you must subtract that portion of the rebate from the undepreciated capital cost (UCC) at the beginning of the year);
- the portion of the rebate relating to professional dues.



11.6 Are you also entitled to a GST rebate?

Goods and services tax (GST) may have been added to certain expenses you incurred to earn employment income. If you deducted these expenses from your employment income, you may be entitled to a rebate of the GST that you paid on these expenses.

How to claim a rebate

To claim a GST rebate, you must complete the *Employee and Partner GST/HST Rebate Application* (form GST370). The amount of the rebate must be entered on your federal income tax return. Form GST370 can be printed from the Canada Revenue Agency website at canada.ca.

After you receive your GST rebate

You must include the amount of the rebate on line 107 of your Québec income tax return for the year in which you receive it.

However, you are not required to enter the following amounts on line 107:

- the portion of the rebate relating to CCA for an automobile or a musical instrument (instead, in the income tax return completed for the year you receive the rebate, you must subtract that portion of the rebate from the undepreciated capital cost (UCC) at the beginning of the year);
- the portion of the rebate relating to professional dues.

For more information about the GST rebate, contact the Canada Revenue Agency.



TO CONTACT US

ONLINE
revenuquebec.ca



BY TELEPHONE

Individuals and individuals in business

Monday to Friday: 8:30 a.m. to 4:30 p.m.

Québec City 418 659-6299	Montréal 514 864-6299	Elsewhere 1 800 267-6299 (toll-free)
------------------------------------	---------------------------------	--

Businesses, employers and agents for consumption taxes

Monday, Tuesday, Thursday and Friday: 8:30 a.m. to 4:30 p.m.

Wednesday: 10:00 a.m. to 4:30 p.m.

Québec City 418 659-4692	Montréal 514 873-4692	Elsewhere 1 800 567-4692 (toll-free)
------------------------------------	---------------------------------	--

Complaints – Bureau de la protection des droits de la clientèle

Monday to Friday: 8:30 a.m. to noon and 1:00 p.m. to 4:30 p.m.

Québec City 418 652-6159	Elsewhere 1 800 827-6159 (toll-free)
------------------------------------	--

Individuals with a hearing impairment

Montréal 514 873-4455	Elsewhere 1 800 361-3795 (toll-free)
---------------------------------	--

BY MAIL

Individuals and individuals in business

Montréal, Laval, Laurentides, Lanaudière and Montérégie

Direction principale des relations avec la clientèle des particuliers
Revenu Québec
C. P. 3000, succursale Place-Desjardins
Montréal (Québec) H5B 1A4

Québec City and other regions

Direction principale des relations avec la clientèle des particuliers
Revenu Québec
3800, rue de Marly
Québec (Québec) G1X 4A5

Businesses, employers and agents for consumption taxes

Montréal, Laval, Laurentides, Lanaudière, Montérégie, Estrie and Outaouais

Direction principale des relations avec la clientèle des entreprises
Revenu Québec
C. P. 3000, succursale Place-Desjardins
Montréal (Québec) H5B 1A4

Québec City and other regions

Direction principale des relations avec la clientèle des entreprises
Revenu Québec
3800, rue de Marly
Québec (Québec) G1X 4A5

Complaints – Bureau de la protection des droits de la clientèle

Revenu Québec
3800, rue de Marly
Québec (Québec) G1X 4A5

Cette publication est également disponible en français et s'intitule *Les dépenses d'emploi* (IN-118).