

2026-2027 QUÉBEC  
**BUDGET SUMMARY**

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March 18, 2026

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## INTRODUCTION

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The Minister of Finance, Mr. Eric Girard, tabled his 2026-2027 budget plan on March 18, 2026, « A responsible budget with targeted measures for Quebecers ».

This budget aims to introduce an automated income tax return filing process by Revenu Québec on behalf of certain low-income individuals.

It also proposes adjustments to tax credits for the development of e-business integrating artificial intelligence functionalities (TCEB<sup>AI</sup>) as well as amendments to the refundable tax credits to support print media and to the refundable tax credit for Québec film or television productions.

**Here are the highlights of the 2026-2027 budget.**

## MEASURE PERTAINING TO INDIVIDUALS

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### Introduction of an automated income tax return filing process by Revenu Québec on behalf of certain low-income individuals starting in the 2026 taxation year

It is proposed to allow Revenu Québec to file income tax returns on behalf of certain individuals whom it may select based on certain criteria.

#### Conditions to be met by an eligible individual

An eligible individual must meet the following conditions:

- > the individual must reside in Québec at the end of December 31 of the taxation year;
- > the individual must not have filed an income tax return for the taxation year before the applicable filing-due date for that year or within a certain period of time after that date, this date to be determined later.

It should be noted that other selection criteria of eligible individuals, namely those with a simple and stable tax situation, will be determined by spring 2027.

#### Process leading to the issuance of a notice of assessment

Before filing an income tax return on behalf of an individual, Revenu Québec must have provided the individual with all the information relating to their tax return that it holds about their situation, and the individual must have had a reasonable period of time to be determined later to review the information provided and submit any changes.

If the individual does not respond to the information sent by Revenu Québec by either confirming or submitting changes by the end of the reasonable period mentioned in the previous paragraph, Revenu Québec may then file an income tax return on behalf of that individual.

Following the filing of this income tax return, Revenu Québec, will issue a notice of assessment. In accordance with the usual process, this notice will be sent to the individual.

## Clarifications

In order to protect the rights of eligible individuals, the current assessment, objection, and appeal processes will apply to assessments made under the provisions relating to the automated income tax return filing process on behalf of an individual.<sup>i</sup>

If, after Revenu Québec has filed an income tax return on behalf of an individual, it is determined that the individual did not meet the criteria for automated filing of their tax return for a given taxation year, the tax return will be deemed not to have been filed for that year.

Lastly, as long as a notice of assessment has not been issued, individuals may opt out of the automated income tax return filing process by Revenu Québec.<sup>ii</sup>

#### Application date

This measure will apply as of the 2026 taxation year, provided that the bill implementing it has been assented to.

## MEASURES PERTAINING TO BUSINESSES

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### Adjustments made to tax credits for the development of e-business integrating artificial intelligence functionalities (TCEB<sup>AI</sup>)

#### Relaxation of certain criteria relating to eligible activities for employee certificate purposes

##### *Addition of specialized AI consulting services to eligible activities for employee certificate purposes*

The Act respecting the sectoral parameters of certain fiscal measures (hereinafter referred to as the "Sectoral Act") will be amended so that, for the purposes of the employee certificate, specialized AI consulting services will be added to the list of eligible activities.

It will not be necessary for a specialized AI consulting activity carried out by a company to relate to the development or integration of information systems or technological infrastructure, or to the development of security identification services.

*Relaxation of eligibility requirements for certain preparatory work*

The Sectoral Act will be amended so that, for the purposes of the employee certificate, where it is reasonable to consider that preparatory work is carried out within 12 months prior to the start of a mandate or project or the development of a product integrating AI functionalities to a significant extent, such work will constitute an activity primarily related to e-business integrating AI functionalities to a significant extent.

This preparatory work must be primarily related to e-business and be considered eligible activities under the other criteria of the Sectoral Act, but does not have to be primarily related to e-business integrating AI functionalities to a significant extent.

It will not be necessary for the preparatory work and the mandate, project, or the development of a product integrating AI functionalities to a significant extent to which this work relates, to be carried out by the same company.

*Application date*

These amendments will apply to taxation years beginning after December 31, 2025.

These amendments will also apply to a taxation year that began after March 25, 2025, but before January 1, 2026, when the corporation has filed an election with Investissement Québec for the amendments made in Budget 2025–2026 to apply to that taxation year.

**Relaxation of conditions relating to the carry-forward of the balance of the non-refundable tax credit**

The tax legislation will be amended so that the condition whereby the carry-over can only be made against a taxation year for which the corporation obtains the refundable tax credit will be removed for balances arising in a taxation year that began before January 1, 2026.

The removal of this condition will not apply to a new non-refundable tax credit balance attributable to a taxation year beginning after December 31, 2025.

**Clarifications regarding the rate reduction for corporations that carry out intercompany outsourcing**

The Sectoral Act will be amended to specify that, when calculating the proportion of gross revenue for the purpose of applying the rate reduction, all revenue from services provided by a corporation to an ultimate beneficiary outside Québec who is a person or partnership with whom the corporation is not dealing at arm's length must be taken into account, including support or maintenance revenue.

The Sectoral Act will be amended so that when this proportion is at least 50%, the corporation certificate must indicate it. However, this disclosure will not be required to indicate the exact proportion of gross revenue derived from services rendered by a corporation to an ultimate beneficiary outside Québec who is a person or a partnership with whom the corporation is not dealing at arm's length.

*Application date*

These amendments will apply to taxation years beginning after December 31, 2025.

**Amendments to the refundable tax credit to support print media**

**Expanding the eligibility criteria for the refundable tax credit to support print media**

*Adjustments to the definitions of excluded corporation and qualified partnership*

The tax legislation will be amended so that the definition of an excluded corporation no longer refers to a corporation that, in the year, holds a licence to carry on a broadcasting undertaking.

The tax legislation will also be amended so that the definition of qualified partnership no longer requires that the partnership does not hold a licence to carry on a broadcasting undertaking in the fiscal period.

*Amendments to the eligibility criteria for the purposes of the business certificate*

The Sectoral Act will be amended to provide that the business certificate that must be obtained by a corporation will henceforth certify either that the corporation, in the year, produced and

disseminated an information media recognized as eligible media, or has produced original information content as an eligible news agency in the year. The name of the eligible media or the eligible press agency and the address of the establishment in which its newsroom is located must be specified in the certificate.

#### Eligible media and eligible press agency

The Sectoral Act will be amended so that, for a news media to be recognized as an eligible media or for a press agency to be recognized as an eligible press agency, the following conditions must be met:

- > in the case of a print media, the media consists in the daily or periodic production and dissemination, by means of a print publication, an information website or a mobile application dedicated to information, of original information content that is specifically intended for the Québec public and pertains to general interest news covering at least three eligible themes;
- > in the case of a media other than a print media, the media takes the form of a news bulletin or news segments and consists in the daily or periodic production and dissemination, by a corporation that holds a licence to carry on a broadcasting undertaking, of original information content that is specifically intended for the Québec public and pertains to general interest news covering at least three eligible themes;
- > in the case of a press agency, the agency's activities must consist in the production of original information content that is made available under licence, provided that this content is intended for the Québec public and pertains to general interest news covering at least three eligible themes.

The newsroom of this media or press agency must also be located in an establishment situated in Canada of the corporation, which brings together journalists responsible for original information content.

#### Original information content

The Sectoral Act will be amended to remove the reference to written content being the only type of content that may be recognized as original information content. The provision excluding

content for which a compensation is paid by a third person or a partnership will also be removed.

The Sectoral Act will also be amended so that the exclusion of content from a press agency or another media is adjusted to cover content from another person or partnership, including another press agency or another media.

#### Other adjustments

For greater clarity, the amendments made to the eligibility criteria for the purposes of the business certificate will also apply, with the necessary adaptations, to the eligibility criteria that a partnership must meet to obtain a business certificate.

The Sectoral Act and the tax legislation will be amended so that consequential adjustments are made to adapt the terminology of the refundable tax credit, including to replace the concepts of print media business and print media.

#### *Amendments to the eligibility criteria for the purposes of the employee certificate*

The Sectoral Act will be amended so that activities involving the production of original information content intended for publication in a print media will be replaced by activities involving the production and presentation of original information content for an eligible media or for an eligible press agency.

The Sectoral Act will be amended so that these activities involving the production and presentation of content include researching, collecting information, verifying facts, image capture (photography or video), sound recording, writing, editing, designing, video or sound editing, postproduction, presentation of a news bulletin or a news segment, and any other activity related to the preparation or presentation of the content.

#### **Increasing the annual limit applicable to the qualified wages of an eligible employee to \$85 000**

The tax legislation will be amended to increase the \$75 000 limit to \$85 000. The refundable tax credit may therefore reach an annual amount of \$29 750 per eligible employee.

### **Removal of the carrying out of information technology activities from eligible activities for the purposes of the employee certificate**

The Sectoral Act will be amended so that the carrying out of information technology activities related to the production or dissemination of content will no longer be considered eligible activities.

#### **Application date**

These amendments will apply to a taxation year or a fiscal period, as the case may be, ending after March 18, 2026.

However, if the corporation or partnership files an election in writing to Investissement Québec, these amendments will not apply in respect of a taxation year or a fiscal period, as the case may be, beginning before March 18, 2026.

However, such an election in writing must be filed by the corporation or partnership before the expiry of the 15th month following the end of the relevant taxation year or fiscal period, as the case may be. The business certificate for the relevant taxation year, or fiscal period, as applicable, will indicate that the corporation or partnership has made this election.

The refundable tax credit will be renamed, as of the effective date of these amendments, to “refundable tax credit to support Québec news media.”

See main parameters of the tax credit in Appendix 1.

### **Extension and phase-out of the refundable tax credit for the digital transformation of print media**

Changes will be made to extend the assistance provided by three years while gradually reducing the applicable rates.

The tax legislation will be amended so that the eligibility period for the refundable tax credit ends on December 31, 2028, and so that, to be a qualified property, the property must be acquired before January 1, 2028.

The tax legislation will also be amended to gradually reduce the rate of the refundable tax credit to 20% for eligible digital conversion costs incurred after December 31, 2026, and before

January 1, 2028, and 10% for eligible digital conversion costs incurred after December 31, 2027, and before January 1, 2029.

See main parameters of the tax credit to support the digital transformation of print media businesses in Appendix 2.

### **Amendments to the refundable tax credit for Québec film or television productions**

Consequential amendments will also be made to the tax credit for film dubbing and the film production services tax credit with respect to eligible classes of films.

#### **Addition of an excluded assistance amount**

The tax legislation will be amended so that financial assistance granted by the Indigenous Screen Office is an excluded assistance amount for the purposes of the refundable tax credit for Québec film or television productions.

#### **Changes made to the eligible classes of films**

The Sectoral Act will be amended so that documentaries and audiovisual magazine programs are no longer subject to requirements regarding program length, or independent segments of comparable length, or number of episodes in order to constitute eligible classes of films for the purposes of the tax credit.

Provided that the other conditions are met, the following classes of films will be eligible classes of films for the purposes of the refundable tax credit for Québec film or television productions:

- > documentaries;
- > audiovisual magazine programs that are designed and arranged especially for television or online broadcasting, provided that they are neither fiction, nor a reconstruction of actual events, nor reality television, and that each program covers a number of subjects, whether or not they belong to the same field of knowledge.

#### **Application date**

These amendments will apply to a film or television production for which an application for an advance ruling, or an application for a certificate if no advance ruling was previously

filed in respect of this production, is filed with Société de développement des entreprises culturelles (SODEC) after March 18, 2026.

## OTHER MEASURES

### Adjustments to certain disclosure mechanisms

The tax legislation will be amended to remove :

- > the requirement that information returns submitted under the mandatory disclosure and preventive disclosure mechanisms be sent to the Minister under separate cover, by registered mail;
- > the requirement for the Minister to confirm receipt of information returns submitted under these mechanisms;
- > the presumption regarding the 120-day period granted to tax authorities to request additional information.

### Application date

These amendments will apply in respect of a transaction or series of transactions that begin to be carried out after March 18, 2026.

### Harmonization with immediate expensing for greenhouse buildings

On January 26, 2026, the Prime Minister of Canada issued a [news release](#) announcing the implementation of an immediate expensing measure for greenhouse buildings.

This measure allows producers to fully write off the total cost of greenhouses acquired on or after November 4, 2025, and that become available for use before 2030. It is aimed at increasing supply and investment in food production over the medium term.

The Ministère des Finances du Québec now wishes to announce that Québec tax legislation and regulations will be amended by adapting them based on their general principles to integrate them into the measure relating to the immediate expensing of greenhouses.

The amendments to the Québec tax system will be adopted only after the assent of any federal legislation or the adoption of any federal regulation giving effect to this measure, taking into account the technical amendments that may be made prior to the assent or adoption. For

greater clarity, these amendments will be applicable on the same dates as those of the federal measure with which they are harmonized.

### Ensuring tax fairness

#### Optimizing government debt collection

Amendments to the Tax Administration Act and the Regulation respecting fiscal administration will be proposed to enable all public bodies to participate in Revenu Québec's compensation service and to optimize the service.

#### Improving oversight of the residential construction sector

Several initiatives will be undertaken by Revenu Québec and other Actions concertées pour contrer les économies souterraines (ACCES) construction partners, namely:

- > establishing a multidisciplinary team tasked with creating and testing new, innovative and concerted intervention strategies in the residential construction sector to promote tax compliance;
- > enabling ACCES construction partners to exchange information more effectively to optimize their interventions. To this end, work will be done to determine what information could be exchanged and, where appropriate, justify any exceptions that could be made to the rules on protecting the privacy of tax information with a view to increasing the amount of information that Revenu Québec can share;
- > providing a more sustained presence on residential construction sites, particularly in the renovation of private residences, with occupants' consent, by conducting targeted and personalized awareness activities and taking the necessary measures to apply or enforce a fiscal law;
- > streamlining the client pathway for contractors and making support services available to prevent common mistakes and technical issues in returns and payments, which will promote tax compliance.

### **Improving the Voluntary Retirement Savings Plan (VRSP)**

Amendments will be made to establish a minimum contribution rate of 2% of salary, simplify the administration of contributions and introduce new investment options with employer contributions.

Amendments to the Voluntary Retirement Savings Plans Act and the Regulation respecting voluntary retirement savings plans will be proposed to implement this initiative.

These changes will make it possible to:

- > introduce a minimum contribution rate of 2% of salary and the possibility for administrators to close inactive accounts in certain situations;
- > increase the management fee cap to 1.50% before QST for all existing investment options;
- > simplify the administration of contributions by making it easier to track workers' contributions, and clarify Retraite Québec's expectations regarding administrators' role for this type of plan through guidelines;
- > offer employers and administrators greater flexibility, in particular by allowing employees with less than one year of seniority to be enrolled only once a year, replacing the mandatory reminder with the annual submission of a document produced by Retraite Québec, and providing better guidance on contract terminations;
- > introduce new investment options requiring an employer contribution of at least 2% of the employee's salary, with management fees of up to 1.75% before QST.

Details of the changes planned in this budget will be announced by Retraite Québec in the near future.

#### ***Continuing to examine ways of improving the VRSP***

The government will continue to examine the retirement savings vehicles available to workers, including the possibility of establishing a public VRSP and increasing oversight of employer compliance with the Voluntary Retirement Savings Plans Act through audits of certain businesses by the Commission des normes, de

l'équité, de la santé et de la sécurité du travail (CNESST).

### **Eliminating the annual royalty in the forestry sector**

The government intends to make changes to the forestry regime to improve the business environment, mainly by eliminating the annual royalty on supply guarantees.

### **Implementing Rénoclimat – Adaptation**

The Québec government is announcing funding of \$425.0 million over five years to implement a new component of the Rénoclimat program providing direct support to citizens to adapt their homes and make them more resilient to the growing impacts of climate change.

This funding will provide citizens with financial support for work to protect foundations or install a check valve as protection against stormwater flooding in areas at risk.

### **Enhancing the LogisVert Program**

The Québec government is allocating \$158.9 million over four years to enhance the LogisVert Program, in order to benefit renters, by encouraging owners of multi-unit buildings to install heat pumps.

## APPENDIX 1

### Parameters of the tax credit for Québec news media

<b>Eligible corporation</b>	Corporation <sup>(1)</sup> operating an eligible news media
<b>Eligible news media</b>	News media, including a news agency, that must produce original news content covering general interest news <sup>(2)</sup> and which, in the case of: <ul style="list-style-type: none"> <li>– a print media, must be produced and disseminated on a daily or periodic basis<sup>(3)</sup> by means of a printed publication, a news website, or a mobile application dedicated to news</li> <li>– a radio or television media, must be produced and disseminated on a daily or periodic basis<sup>(3)</sup> as part of a news bulletin or information segment</li> </ul>
<b>Eligible activities</b>	Production and presentation of original news content of general interest <sup>(4)</sup>
<b>Eligible expenses</b>	Salaries paid to full-time employees who spend at least 75% of their time on eligible activities
<b>Assistance level</b>	35% of eligible expenses, subject to a salary cap of \$85 000 per employee annually
<b>Administration</b>	A corporation must obtain a certificate from Investissement Québec for the media as well as a certificate for each eligible employee

(1) A corporation must have its own news team, made up of journalists responsible for producing original news content of general interest. In the case of a radio or television media, the corporation must hold a licence to carry on a broadcasting undertaking.

(2) News content of general interest means news that covers at least three of the following current event topics: politics, municipal affairs, international affairs, business and economy, culture, local news and general news. In addition, content from third parties or advertising, promotional or thematic content (such as sports, cooking, decor or science) is not eligible.

(3) A periodic medium must be produced at least 10 times per year to be eligible.

(4) The production of such content includes research, information gathering, fact checking, image capture (photo or video), sound recording, writing, review, design, editing, post-production, presentation of a news bulletin or information segment, and any other activity related to content preparation or presentation.

## APPENDIX 2

### Parameters of the tax credit to support the digital transformation of print media businesses

<b>Eligible corporation<sup>(1)</sup></b>	A corporation operating a media that produces and disseminates original daily or periodic written content covering general interest news		
<b>Eligible activities</b>	Development or integration of digital technologies or tools for adapting the media's digital offering		
<b>Eligible expenses</b>	<p>The following digital conversion costs, up to a maximum of \$20 million per year:</p> <ul style="list-style-type: none"> <li>– salaries paid to full-time employees who spend at least 75% of their time on eligible digital conversion activities</li> <li>– 80% of the cost of an eligible digital conversion contract for the hiring of a consultant or the acquisition (or leasing) of equipment or technology</li> </ul>		
<b>Tax credit rate</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
Refundable tax credit	35%	20%	10%
<b>Duration of assistance</b>	From March 28, 2018 to December 31, 2028		

(1) To be eligible, a corporation must have its own editorial team in Québec, made up of journalists responsible for producing original written news content, and must not be the holder of a broadcasting licence.