



CHAPTER 74

An Act to amend the Mining Duties Act

[Assented to 21 December 1979]

HER MAJESTY, with the advice and consent of the Assemblée nationale du Québec, enacts as follows:

R.S.Q.,
c. D-15,
s. 18, am.

1. Section 18 of the Mining Duties Act (R.S.Q., c. D-15) is amended by adding after paragraph *c* the following:

“(d) the mining exploration and development expenses incurred by the operator in Québec, from 28 March 1979, on the site of an underground mining operation, except the expenses incurred by an operator principally extracting from an iron ore, titanium or asbestos mine and the cost of the property contemplated in Division II of Chapter III, provided that a detailed analysis of these expenses is submitted to the Minister.

Regulation.

The Government shall determine, by regulation, the mining exploration and development expenses and works contemplated in paragraph *d*.”

R.S.Q.,
c. D-15,
s. 30, re-
placed.

2. Section 30 of the said act is replaced by the following section:

Exemption.

“**30.** In computing duties, an operator may deduct as an exemption an amount of \$250 000 from his annual profit; however, where the fiscal year of an operator is less than twelve months, the said amount of \$250 000 is reduced in such proportion as the number of complete months included in that fiscal year bears to twelve.”

R.S.Q.,
c. D-15,
s. 33, re-
placed.

3. Section 33 of the said act is replaced by the following section:

Maximum
duties.

“**33.** The duties payable for a fiscal year shall not be higher than the amount by which three times the amount of the duties

that would be payable on the average annual profit of the last three fiscal years, including the fiscal year in question, exceeds the greater of the amounts of the duties actually paid for the last two fiscal years and the duties that would have been paid had no deduction been made under section 34.

Maximum exemption.

In computing the duties that would be payable on the average annual profit, the exemption provided by section 30 shall not exceed the average of the exemptions that have been applied to the last three fiscal years, including the fiscal year in question.

Short fiscal year.

No fiscal year of less than fifty-two weeks shall be included in that period unless otherwise provided and on the conditions fixed by regulation."

R.S.Q.,
c. D-15,
s. 34, re-
placed.

4. Section 34 of the said act is replaced by the following section:

Computing average annual profit.

"34. For the purposes of section 33, the average annual profit of the operator shall be computed as if any loss incurred in any of the three fiscal years were nil; however, the operator may deduct from the duties that would be otherwise payable an amount not exceeding 15 per cent of the amount of the loss, or average that deduction over the four fiscal years following that in which the loss is incurred."

Exemption formula.

5. For a fiscal year that overlaps 1 January 1979, the exemption provided by section 30 of the Mining Duties Act is established in accordance with the following formula:

$$E = \left\langle \frac{n \times 150\,000 \$}{N} \right\rangle + \left\langle \frac{n' \times 250\,000 \$}{N} \right\rangle$$

Symbols.

In that formula,

E is the exemption;

n is the number of days in the fiscal year preceding 1 January 1979;

n' is the number of days in the fiscal year from 1 January 1979;

N is the total number of days in the fiscal year.

Averaging formula.

6. For a fiscal year that overlaps 1 January 1979, the deductible amount established under section 34 of the Mining Duties Act is averaged in the following manner:

(a) the proportion $\frac{n}{N}$ of that amount is averaged over the two fiscal years following that in which the loss is incurred; and

(b) the proportion $\frac{n'}{N}$ of that amount is averaged over the four fiscal years following that in which the loss is incurred.

Symbols.

In the preceding proportions,

n is the number of days in the fiscal year preceding 1 January 1979;

n' is the number of days in the fiscal year from 1 January 1979;

N is the total number of days in the fiscal year.

Effective date.

7. Section 1 has effect from 28 March 1979.

Effective date.

8. Sections 2, 3 and 4 have effect from 1 January 1979.

Coming into force.

9. This act comes into force on the day of its sanction.