

REVENU QUÉBEC



Requirements for Leased or Rented Equipment Under the Subsidy Program for Restaurateurs

MANDATORY BILLING IN THE RESTAURANT SECTOR

Québec 

www.revenu.gouv.qc.ca/resto

This publication is provided solely for information purposes. The information it contains does not constitute a legal interpretation of any legislative provisions.

Table des matières

INTRODUCTION	4
Glossary	5
REQUIREMENTS (REQUIRED EQUIPMENT PORTION)	6
Rented or leased equipment.....	6
Calculating eligible expenditures	6
APPLICATION INSTRUCTIONS.....	7

INTRODUCTION

Since September 2010, Revenu Québec has been administering a temporary subsidy program to assist eligible restaurateurs required to update, acquire or install equipment necessary for implementing new tax measures in their restaurant establishments.

To learn more about eligibility requirements and other subsidy program details, consult the *Subsidy Program for Restaurateurs* (IN-574-V), which is available on Revenu Québec's website at www.revenu.gouv.qc.ca/en/resto.

In the third paragraph of the section entitled "Cash register, point-of-sale system and receipt printer requirements" of the Subsidy Program for Restaurateurs, Revenu Québec defines the terms and conditions for subsidizing a cash register, point-of-sale system or receipt printer that is rented, leased or acquired under similar circumstances.

In this document

This supplementary document, entitled *Requirements for Leased or Rented Equipment Under the Subsidy Program for Restaurateurs* (IN-574.A-V) provides additional information about the subsidy program. It is intended for restaurateurs using cash registers or point-of-sale systems and receipt printers that are rented, leased or acquired under similar circumstances.¹

These restaurateurs will find in this document the eligibility requirements for required equipment which is rented or leased and instructions on how to file an application.

1. Under the section entitled "SRM requirements" of the Subsidy Program for Restaurateurs, sales recording modules (SRMs) that are rented or leased are not eligible for a subsidy.

Glossary

Lease

Contractual agreement under which the owner (the lessor) of equipment conveys to the user (the lessee) the right to use the equipment in return for rent or royalties over an agreed period of time.

Lessee

In this context, a restaurateur that has the right to use a cash register or point-of-sale system and a receipt printer under a rental contract or lease.

Lessor

Person or business that acquires equipment for the purposes of leasing it (renting it for an agreed period of time).

Renting

The act of giving or accepting the right to use property.

Royalties or rents

Amount of money a lessee must periodically pay to a lessor for property in accordance with the clauses of a contract. The contract can be for a fixed or, if it includes certain clauses allowing any of the signees to end the contract under certain circumstances, a variable period of time.

REQUIREMENTS (REQUIRED EQUIPMENT PORTION)

Rented or leased equipment

When determining if a cash register or point of sale system and receipt printer that have been leased or rented are eligible for the subsidy, a restaurateur must first determine if the restaurant establishment, required equipment and application meet the requirements defined in the *Subsidy Program for Restaurateurs* (IN-574-V). Among other things, the restaurateur must therefore verify if the expenditures are eligible by referring to the section entitled "Eligible expenditures" of the *Subsidy Program for Restaurateurs*.

When applying for a subsidy for rented or leased equipment, a restaurateur must take the following into consideration:

- The **rental contract or lease must have been signed** after April 19, 2010, the date on which new tax measures in the restaurant sector came into effect. If it was signed before this date, the portion of the rent paid for equipment that was acquired or updated in order to implement the new tax measures in restaurant establishments may still be eligible for the subsidy.
- The **date rent becomes eligible** is the date the first rent becomes payable. This date cannot be before the date the contract was signed.
- The **date rent ceases to be eligible** is the earlier of the following dates, as determined by the restaurateur:
 - end date of the contract
 - date the restaurant establishment ceases carrying on activities
 - date the eligible rent payments end
 - November 1, 2011

Please note that a subsidy will not be granted for rent payable **after** the date on which a restaurateur applies for the subsidy.

- **Short-term, medium-term and long-term contracts** are eligible under the subsidy program.
- A restaurateur applying for a subsidy is responsible at all times for **maintaining SRM requirements**, as described in the section entitled "Maintaining SRM requirements" of the **Subsidy Program for Restaurateurs**.
- A restaurant establishment cannot exceed its **limit on eligible expenditures** that is established based on the establishment's annual sales. For more information, consult the section entitled "Maximum subsidy for cash registers, point-of-sale systems and receipt printers (required equipment portion)" of the **Subsidy Program for Restaurateurs**.

Calculating eligible expenditures

To determine the amount of eligible expenditures, restaurateurs must first calculate the total eligible rent paid or due².

Contract fees and interest are not eligible for the subsidy. To account for these ineligible fees³, you must multiply the total rent by 85% and enter the result on line 3 in Part 6 of the *Subsidy Application for Restaurateurs* (form VD-350.52.SM-V).

² Rent not yet payable that the restaurateur expects to pay after applying for a subsidy cannot be included in the calculation.

³ After analyzing current rates on the market, Revenu Québec has determined the rate for contract fees and interest to be 15%. Where taxes are included in rent, the tax rate in effect must be added to the 15% that corresponds to the ineligible fees.

APPLICATION INSTRUCTIONS

To apply for a subsidy you must use the *Subsidy Application for Restaurateurs* (form VD-350.52.SM-V), which is available on our website at www.revenu.gouv.qc.ca/en/resto.

When applying for a subsidy for rented or leased equipment, you must include in your calculations the total eligible rent at the time of application. You cannot complete another application for rent that you have forgotten or omitted. For this reason, we ask that you collect the supporting documents pertaining to rent and wait until the date rent ceases to be eligible before sending us your application.

However, if you have already submitted an application and you had to incur additional costs for acquiring or updating equipment that is rented or leased, you may submit another application for these costs.

Please follow the instructions listed below:

1. Complete and sign the subsidy application for restaurateurs.

You must complete all parts of the form according to the instructions provided in the *Subsidy Program for Restaurateurs* (IN-574-V). You must enter, on line 3 of Part 6 of the application form, the result of the calculation from the section of this guide entitled "Calculating eligible expenditures."

2. Include the required supporting documents with the application.

The supporting documents included with your application must meet the subsidy program requirements.

If your application is for rented or leased equipment, you must include with your application

- the rental contract or lease; and
- the original documents pertaining to eligible rent paid or due.⁴

If your rental contract or lease was signed before April 20, 2010, making it ineligible for the subsidy, you may still have to acquire or update equipment to implement the new tax measures. This situation involves additional costs and generally leads to an increase in the initial rent or a new contract. You may apply for a subsidy based on these additional costs.

If your situation involves additional costs under the same contract, you must include with your application

- the initial rental contract or lease and its amendments that relate to acquiring or updating the required equipment and the related costs; and
- the original documents pertaining to eligible rent paid or due.

If your situation involves a new contract, you must include with your application

- the initial and new rental contracts or leases; and
- the original documents pertaining to eligible rent paid or due.

4. Supporting documents for rent paid or due may include invoices, receipts or a monthly statement of account issued by the lessor.

Contact us



Online

We invite you to visit our website at www.revenu.gouv.qc.ca and, more specifically, the section dealing with mandatory billing in the restaurant sector, at www.revenu.gouv.qc.ca/en/resto.



By telephone

Hours of availability for telephone services

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)



By mail

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

Direction principale des services
à la clientèle des entreprises

Revenu Québec
C. P. 3000, succursale Place-Desjardins
Montréal (Québec) H5B 1A4

Capitale-Nationale
and other regions

Direction principale des services à la
clientèle des entreprises

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

2010-03

Vous pouvez vous procurer la version française de cette publication en demandant le document *Modalités et conditions relatives au crédit-bail et à la location* (IN-574.A).

