

REVENU
QUÉBEC



FAIR.
FOR ALL.



SELF-EMPLOYMENT AND TAXATION

revenuquebec.ca

Before reading this brochure, see IN-301-V, *Employee or Self-Employed Person?*, to make sure you are actually considered self-employed.

Registering

As a self-employed person, you may have to register for the QST, the GST and/or source deductions. You may also need a permit, licence, decal or registration certificate if you do business in certain sectors and you sell, for example:

- insurance policies whose premiums are subject to the tax on insurance premiums;
- wine, beer, cider or other alcoholic beverages;
- tobacco (for more information, see IN-219-V, *An Overview of the Tobacco Tax Act*).



To find out if you need to register, see IN-202-V, *Registering with Revenu Québec*.

You can register using the online services available at **revenuquebec.ca**, by calling us or by filing an *Application for Registration* (form LM-1-V).

For more information about registration and the tax considerations of starting a business, see IN-307-V, *New Businesses and Taxation*.

Reporting GST and QST

If you are registered for the GST and QST (or are required to be), you must collect them. You will then have to file a return every reporting period and remit the tax that you collected (which you can do using our online services). You determine your filing frequency when you register, and we assign you a reporting period based on your projected total sales in Canada for the year.

If the tax you collected (or should have collected) is less than the tax you paid on goods and services you purchased to make taxable sales, you are probably entitled to a refund.

If you do not expect your total taxable sales (including zero-rated sales) to exceed \$30,000 for a calendar quarter or the four preceding quarters, you are considered a small supplier and do not have to register for the GST or QST.

For more information, see IN-203-V, *General Information Concerning the QST and the GST/HST*.

Source deductions and employer contributions

If you have employees, you must deduct Québec income tax, Québec Pension Plan (QPP) contributions and Québec parental insurance (QPIP) premiums from the amounts you pay them as well as from the value of most other benefits. You must then remit the amounts deducted periodically in addition to your own QPP contributions, QPIP premiums and contribution to the health services fund as an employer. You must also pay a contribution related to labour standards once a year and, if applicable, a contribution to the Workforce Skills Development and Recognition Fund.

As a self-employed person, you are required to pay QPP contributions, QPIP premiums and a contribution to the health services fund based on your business income. These payments are separate from the ones you make for your employees and must be made when you file your income tax return or in instalments.

For more information, see the *Checklist for New Businesses: Source Deductions and Employer Contributions* (IN-111-V) or the *Guide for Employers: Source Deductions and Contributions* (TP-1015.G-V), or go to revenuquebec.ca.

Personal income tax return

As a self-employed person, you must report all business and professional income, farm or fishing income and commissions in your income tax return.

Business income is income from an activity you engage in with a view to making a profit or with a reasonable expectation of making a profit, such as:

- practising a profession;
- exercising a trade;
- operating a business (sales, manufacturing, etc.);
- carrying on an adventure or concern in the nature of trade.

You can generally deduct reasonable expenses made to earn business or professional income. However, you can only deduct the portion of an expense that is related to your business—**you cannot deduct personal expenses**.

With your income tax return, you must enclose either your financial statements or form TP-80-V, *Business or Professional Income and Expenses*. In either case, you must file separate documents for each of your businesses.

The usual deadline for filing the personal income tax return is April 30. However, since you operate a business, you and your spouse have until June 15 to file. That said, interest will accrue on any outstanding balance of income tax as of May 1, regardless of the filing deadline.

For more information, see the guide to the income tax return (TP-1.G-V) or IN-155-V, *Business and Professional Income*.



Instalment payments

If both conditions below are met, you may be required to pay your Québec income tax, your QPP and health services fund contributions, and your QPIP and Québec prescription drug insurance premiums in instalments:

- Your estimated income tax payable for the year is over \$1,800.
- Your income tax payable for one of the two previous years was over \$1,800.

Instalment payments cover a quarter of your income tax for the year and are due by the 15th of March, June, September and December.

For more information, see IN-105-V, *Instalment Payments of Income Tax*.



Records and supporting documents

When you operate a business in Québec, you are required to keep records. Your records must be detailed enough for us to validate your business income and expenses in order to determine the amounts you are required to pay. In general, you must keep your records and supporting documents (including those on electronic media) for at least six years following the year they cover.

My Account

My Account for individuals provides access to a variety of online services related to the personal income tax return.

The services in My Account for businesses let you fulfill your obligations with regard to your returns for consumption taxes and for source deductions and employer contributions.

This publication is provided for information purposes only. It does not constitute a legal interpretation of the *Taxation Act*, the *Excise Tax Act*, the *Act respecting the Québec sales tax* or any other legislation.

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	Montréal	Elsewhere
418 659-6299	514 864-6299	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	Montréal	Elsewhere
418 659-4692	514 873-4692	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	Elsewhere
418 652-6159	1 800 827-6159 (toll-free)

Individuals with a hearing impairment

Montréal	Elsewhere
514 873-4455	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
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Cette publication est également disponible en français et s'intitule *Travailleurs autonomes Aide-mémoire concernant la fiscalité* (IN-300).

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