

## 2025 PROVINCIAL BUDGET - QUÉBEC

### Implementing a new tax assistance system fostering scientific research and experimental development activities

The Québec budget will simplify tax assistance for innovation to maximize its impact on businesses through a bonified research and development (R-D) tax assistance system. This measure will replace several existing tax credits by a single one, the tax credit for **R&D, innovation and pre-commercialization** (hereinafter referred to as the “**CRIC**”).

#### Significant novelties:

- **Addition** of expenditures relating to **pre-commercialization and product design**, that constitute a continuation of an R&D project carried out in Québec;
- **Addition** of capital expenditures relating to **equipment** for R-D and pre-commercialization purposes;
- **Modification to the tax credit rate**, varying between 20% and 30%.

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#### Eligible expenditures for CRIC\*

##### Expenditures relating to R&D and pre-commercialization activities:

- Salaries and wages
- 50% of the value of a contract entered into with a subcontractor in Québec
- Equipment acquisition costs

This new CRIC replaces the following 6 tax credits:

Tax measures ABOLISHED					
Tax credit for salaries and wages – R-D	Tax credit for university research or research carried out by a public research centre or a research consortium	Tax credit for private partnership pre-competitive research (PRPPP)	Tax credit for contributions and fees paid to a research consortium	Tax credit for technological adaptation services	Tax credit for in-house design activities applicable to industrial design

*\*The CRIC will apply to a taxation year or a fiscal period, as the case may be, beginning after March 25th, 2025.*