

**RÉPONSE D'HYDRO-QUÉBEC
À L'ENGAGEMENT NUMÉRO 39**

Engagement 39:

***Comparaison du traitement fiscal des investisseurs US et canadiens
(Demandé par FCEI/UMQ)***

Réponse: (fournie par le Dr. Roger Morin)

The enclosed table provides a comparison of tax rates on \$1,000 dividend received by a single childless Canadian, U.S. investor residing in different state/province making \$50,000 per year as of December 31, 2001.

Canada vs U.S. Individual Taxation

Country of Residence State / Province of residence City	Canada Québec Montréal	USA New York New York	USA California Los Angeles	USA Florida Miami
Dividend income	\$1,000	\$1,000	\$1,000	\$1,000
25% markup	\$250	N/A	N/A	N/A
Taxable income	\$1,250	\$1,000	\$1,000	\$1,000
Tax:				
Country of residence	\$121	\$280	\$280	\$280
State / Province of residence	\$281	\$60	\$93	N/A
City	N/A	\$40	N/A	N/A
Total	\$402	\$380	\$373	\$280
% Total	40.20%	38.00%	37.30%	28.00%
Dividend tax credit:				
Country of residence	YES	NO	NO	NO
State / Province of residence	YES	NO	NO	N/A
City	N/A	NO	N/A	N/A