

*Income Tax*

Under the November, 1981 budget this farmer would be taxable on the entire \$90,000 in the year of disposition, the year of sale, regardless of what he received. Considering the farmer may be taxable on the sale of his inventory and may be taxable on recapture of capital cost allowance, it is likely that \$45,000 in tax would be paid on the \$90,000 capital gain at 50 per cent. However, it leaves the farmer in this example with \$15,000—the \$60,000 downpayment that he had minus \$45,000 he has to pay in tax—

**The Acting Speaker (Mr. Corbin):** Order, please. The Parliamentary Secretary to the Minister of Finance (Mr. Fisher) rises on a point of order.

**Mr. Fisher:** Mr. Speaker, I have a quick question for the Hon. Member, if he will permit it.

**The Acting Speaker (Mr. Corbin):** Order, please. Questions can only be put if the Hon. Member agrees to receive them in the first place.

**Mr. McKnight:** Mr. Speaker, I would be very pleased to answer the question of the Parliamentary Secretary if he would allow me the ten minutes allotted to me. If I can continue and get finished, the Parliamentary Secretary can then ask me his question. I am told I have 30 seconds.

The farmer in my example would have only \$15,000 left out of the \$60,000 he had received to provide for his retirement. If the farmer had received a downpayment of only \$40,000, he would have to make up \$5,000 from somewhere so as to make his payment to the Government.

I see that you are rising, Mr. Speaker. This Bill is unacceptable to people who have worked all their lives in order to look after their retirement.

**Mr. Donald W. Munro (Esquimalt-Saanich):** Mr. Speaker, I will not be the first to refer to the 295 pages of this document. It is a complex tax revision document, and that is all it is. It revises the tax structure in certain respects only. The complexity of that document coming at this stage in the tax year is absolutely inexcusable conduct on the part of the Government.

We are now in the middle of February. Tax consultants and tax advisers have been writing to me, and I am sure they have been writing to the Ministers, about getting tax legislation available to them so they can advise and prepare tax returns for their clients. This Bill is composed of 295 pages of nit-picking here and nit-picking there, changes here and changes there. This is one of the most complex documents I have had the misfortune to examine in this House.

I have a suggestion for the Government which I make in all sincerity. I suggest to the Government, any government, that it provide an index for a document of this complexity so that a person can find out where you are in respect to Child Tax Credits, to RRSPs, or to changes in this part of the tax regime or the other. An Index is definitely needed.

There is one other change that I would make with reference to the preparation of Bills. No individual in his right mind or

by himself can work through a document of this complexity without a great deal of help. Let me give you an example, Mr. Speaker. Open the document at page 179. I was looking for the reference made by the Hon. Member for Spadina (Mr. Heap), which was Clause 76. I do not even know what section of the Bill page 179 deals with unless I leaf back, and it is possible that I may have to leaf back several pages. However, in this case it is only one page. But in all fairness to Members of Parliament, tax consultants and even to Ministers, at the bottom or the top of the page reference should be made to what section is being dealt with. In this case, what is it? What does it turn out to be? It is Clause 76. There are other pages like this which continue a section from a previous page or several pages earlier.

I sincerely suggest that, in order to simplify documents of this complexity, those two changes be incorporated in any other tax measure or complex Bill of this sort. I would ask that there be an index or a guide at the beginning so that anyone in his right mind—and I hope we are all in our right minds because with this document we are going out of our minds quickly—can look through the document and help people who need and want help in preparing their tax returns ten weeks down the line. Those two suggestions I toss out. They are free. I ask the Minister to take them up. First, produce an index; and second, let us have a section reference on the pages where the section itself is not mentioned.

There is one other great unfairness inherent, as far as I can see, in all our tax legislation, and that is the requirement to pay taxes before the revenue is earned. I think this is iniquitous. I am thinking of pensioners in particular. They do not have enough square cash to get into the market but they do buy something which they think is safe, and that is a Canadian Government bond. In many cases the bond interest is paid on November 1 or at some specific period during the year. Yet since they are required throughout the year to pay quarterly instalments of taxes, they are required to pay tax on revenue that is not going to be seen until November 1. When will any Government correct that stupidity? Either the revenue should be paid quarterly whereupon the tax can be paid quarterly, or the tax should be forgiven until the revenue has been received. I think it is wrong that people should have to pay a tax on revenue that they have not yet received.

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Another unfairness in the system to which I would like to refer is tax-free benefits under certain forms of revenue, such as workmen's compensation benefits which are tax-free whereas unemployment insurance benefits are taxable. Why should that be? Another example is the disability insurance plan. While it may be arguable that unemployment insurance benefits are taxable, why are disability insurance plan benefits not tax-exempt? There is a disability involved, as there is a disability involved in the workmen's compensation plan. Why has that parallel not been made?