

HOUSE OF COMMONS

Monday, December 19, 1983

The House met at 11 a.m.

• (1110)

GOVERNMENT ORDERS

[English]

INCOME TAX ACT

MEASURE TO AMEND

The House resumed, from Friday, December 16, consideration of the motion of Mr. Lalonde that Bill C-2, an Act to amend the statute law relating to income tax and to make related amendments to the Canada Pension Plan and the Unemployment Insurance Act, 1971, be read the second time and referred to a Committee of the Whole.

Mr. Doug Neil (Moose Jaw): Mr. Speaker, over the years I have had the opportunity to participate in debates on amendments to the Income Tax Act. During that period many excellent ideas and suggestions have been made by Members on all sides of the House who have expressed their concern not only about particular clauses in the Income Tax Act, but more often with respect to the administration of the Act. It is a frustrating experience because it is obvious that over the years the various Ministers of Finance, Ministers of National Revenue and their officials have chosen to ignore the comments of various Members. If they had listened they would at least have brought in certain amendments or reorganized their departments in such a manner that we could have a more efficient and more comprehensible tax system.

One of the major problems with income tax in this country is the complexity of the Act. Few people in Canada, including chartered accountants, are able to understand and interpret the Act properly. I recall that when the Hon. John Turner was Minister of Finance several years ago—

Miss MacDonald: Who is he?

Mr. Neil:—he agreed to an amendment proposed by several members who spoke in the House. It was a fairly simple amendment and we anticipated that, when it came in, a short paragraph would cover what had been sought. When it was introduced by the Minister, however, it was two and a half pages long.

It happened that I knew one of the legal officers involved in drafting the amendment and I told him that I could not understand why such a simple amendment required two and a half pages when it could easily have been set out in one

paragraph. His response was that we now live in the computer age and that the legislation must be drafted in such a manner that the computer could understand what was being done. A computer has no understanding, Mr. Speaker, but that is what has happened over the years to our tax structure. When a taxpayer is having problems with his assessment or if he has an inquiry, the response to it comes to him in a form printed by the computer. Basically, the taxpayer is communicating with a computer; he is not able to communicate with the individual who is responsible or who should be responsible for taxation.

As has happened in the last year or two, and I assume every Member of Parliament has had the same thing happen, if a taxpayer asks a complicated question or has a serious problem and is able to get some official on the telephone, the response he receives to his query is: "Contact your Member of Parliament". There have been numerous instances where people have phoned me because the tax department has told them to contact their Member of Parliament. But I am not a tax expert. I am not an accountant. It is the responsibility, Mr. Speaker, of those people in the department who are doing assessments to answer some of these questions. However, it seems to me that the officials in the tax department do not now understand the Act. They cannot interpret it. They cannot communicate with the computer. They can only punch in numbers. They have become mechanical. This is the frustration which many taxpayers face when they have problems.

• (1115)

Before I came to this place, when I was practising law, I did considerable tax work. In those days, Mr. Speaker, if a taxpayer had a problem, I could phone the tax department at Regina and tell them the problem. They would tell me to hold for a moment and they would pull the file, and unless the matter was complicated, generally speaking I had the answer within half an hour. If it was complicated, they would say perhaps we should come into the office. You would then make an appointment to go and see them with your client. They would have his income tax returns on the desk and in a matter of an hour the problem would be resolved. That, Mr. Speaker, no longer happens. Those files have been sent to Winnipeg and I believe that has happened in every province in Canada. You cannot get an answer. At least, you cannot get an answer for four, five or six months, if you get an answer then. It is a terrible situation.

I would like to give one example of an elderly gentleman who came into my office two weeks ago. He is on pension. The company which pays him his pension deducts the sum of \$100 a month as a tax deduction and, presumably, remits it to the department. The gentleman in question has an RRSP so he