

DIGEST OF THE BUSINESS PROFITS WAR TAX ACT

where it appears, or to the extent to which it appears, that the transaction has improperly reduced the amount of the profits for the purposes of this Act.

Sec. 6
Sub-Sec. 5

In the case of a contract extending beyond one accounting period from the date of commencement to its completion and only partially performed in any accounting period, there shall, unless the Minister directs otherwise, be attributed to each of the accounting periods in which such contract was partially performed, such proportion of the entire profits or estimated profits in respect of the complete performance of the contract as shall be properly attributable to such accounting periods respectively, having regard to the extent to which the contract was performed in such periods.

Sec. 6
Sub-Sec. 6

If any incorporated company conducts its business, whether under agreement or otherwise, in such manner as to benefit its shareholders, or other persons directly or indirectly interested in such company, by selling its product at less than the fair price which might have been obtained, the Minister may determine the amount which shall be deemed to be the profits of such company. In determining such profits the Minister will have regard to the fair price which, but for any agreement or understanding, could have been obtained for such product.

Capital

Sec. 7
Sub-Sec. 1

The capital employed in the business of an incorporated company having its head office or principal place of business in Canada is the amount paid up on its capital stock.

Sec. 7
Sub-Sec. 2

The capital employed in the business of a non-Canadian company is such portion of the amount paid up on its capital stock as bears the same proportion to the amount paid up on its entire capital stock as the value of its assets in Canada bears to the value of its total assets.

Sec. 7
Sub-Sec. 3

The amount paid up on the capital stock of a company is the amount paid in cash. If stock was issued before January 1, 1915, for any consideration other than cash, the fair value