

Income Tax Act

● (1610)

One way of dealing with the issue is by giving part or all of the money in advance, as is being suggested in this legislation. There is another method which I think we should look at for the longer term, that is to specifically prohibit the sale of child tax credit returns to discounting companies. We have done that with old age pension cheques and family allowances because we do not think that poor people should be penalized by 15 per cent or 5 per cent on money which should be going to them alone. The Government does not pay these benefits to make the coffers of tax discounters swell by \$20 million or \$40 million, depending upon which figures you use.

One way of dealing with the problem of tax discounting would be for the Government to introduce specific legislation to prohibit the sale of child tax credit refund applications to tax discounters. This is one way of dealing with the problem. I urge all Hon. Members to consider, as a bare minimum, the two Liberal amendments. One deals with increasing the ceiling of eligibility from \$15,000 to \$23,500 in order to keep pace with the level of poverty in Canada. The second amendment says that the people receiving the tax benefit should not receive only the \$300, which is only a portion of the tax credit, but should get the full amount. The \$454 should be mailed out to them before this Christmas so they can get the paperwork over with and do not have to worry about the bureaucracy. That would simplify it. It is a better system and I think it is supportable. As I know how much the Conservatives talk about the simplification of the tax system, I urge them to support this amendment.

Mr. James: Mr. Speaker, I am very concerned about the statements which this speaker just made. I think she was attempting to cause concern for the very people who are going to benefit by \$300 per child by mentioning that there will be interest charged. There certainly will not be interest charged on those funds unless income tax returns are filed late next year. The point which she raised causes concern, and I want to ensure that it is clear on the record that that is not the case. I cannot help but think that it is talking out of both sides of one's mouth to say that some people may be overpaid. I suppose that could happen in some cases, but I am sure that if you asked the people whether they would want to receive those moneys with the possibility of having to send some back if their income increases dramatically from the previous year they would opt for the provisions of this Bill.

The previous speaker also spoke of prepayment. I do not recall that the past Government initiated a prepayment proposal. I think the Hon. Member has sincere concern for the poor people of our country. However, I do not think she should be causing them concern. They could very well use the \$300, \$600, \$900 or \$1200 in November for snowsuits or Christmas. I hope she does not mean to take away from this very important development in Canadian history. The Government, hopefully with the support of the Opposition, wants to put money in the hands of the people who need it most in our country today.

Ms. Copps: Mr. Speaker, I am sorry if the Member for Sarnia—Lambton (Mr. James) misunderstood my comments. I think I specifically referred to the fact that, according to the legislation as it is currently tabled, if an overpayment was assessed the full amount of it plus interest would be charged back to the family from the date that the overpayment was received. One of the amendments proposed by the Liberal Party suggests that if there is an overpayment through a change of circumstances, or simply an administrative foul-up, the amount to be repaid should be restricted to the amount of the overpayment and that any interest to be charged should be calculated only 60 days following the receipt of the notice of overpayment.

I do not want Canadian women to be in a situation next April of receiving a notice from the tax department that they accidentally received \$300 extra which they have to repay and that they are being charged interest on the amount of the overpayment retroactive to the date of receipt of the money they have already spent, not knowing that it was an overpayment. That is the intent of the Liberal amendment. I think it is quite clear and I hope the Member will support it.

With regard to the historic step which the Member mentioned, I will only say that for the \$300 which will be paid out in advance to poorer taxpayers this year the Government will collect about \$354 through the tax system, so they are still in a net loss position of \$54.

[Translation]

Mrs. Bertrand: Mr. Speaker, I listened very closely to the argumentation of the Hon. Member for Hamilton East who, I am sure, is genuinely interested in the well-being of destitute families in her riding, just as are all Members of the House.

Still I noticed a certain inconsistency in her presentation. On one hand she does not seem to be overly enthusiastic about this outstanding piece of legislation we have introduced, on the other hand she blames discounters for taking advantage of the situation in the past.

That is precisely what we seek to avoid through Bill C-11. The fact is that those families which are in dire need of their money at a certain time of the year are forced to deal with discounters.

Now then, why does your Party blame us today, and why in those days—you were not here, but the others were—did the Liberal Party fail to take that step, namely pass legislation as we did with Bill C-83 to set a ceiling on the interest which discounters are allowed to charge and, at the same time, give such advance payments to families as advocated in Bill C-11?

Ms. Copps: Mr. Speaker, I think I did say at the outset that it was a good Bill, that I agreed with it, and that I would support it. I said so in the House. I said that the Bill as drafted might be amended, for instance to provide for a payment of \$454 instead of \$300, which would still not be the total tax credit. Other changes might include raising the ceiling for people eligible for payments, families with an income ranging from \$15,000 to \$23,000. Such adjustments would improve this measure which is good to begin with.