

- (i) the value of any gift to his spouse other than a gift by way of a settlement under which any person other than his spouse has, during the lifetime of the spouse a right of any kind whatsoever to receive or use any or all of the property so settled or a beneficial interest in any of the income from such property, and
  - (ii) the value of the aggregate of gifts (other than gifts made by settling property in a trust other than a trust under which there is only one beneficiary, who is living at the time) made in the year by him to any one individual other than his spouse, to the extent that such value does not exceed \$2,000,
- (b) the exemption described in paragraph (ba) of subsection (4) of section 112 of the said Act be restricted so that it no longer applies to transfers to a child if the spouse of the taxpayer has at any time taken advantage of the provision,
- (c) gifts made by a taxpayer shall include
- (i) transfers to a person other than the taxpayer's spouse pursuant to an agreement made in consideration of marriage,
  - (ii) the exercising of a general power of appointment,
  - (iii) the act of permitting a debt owed to a taxpayer by a person with whom the taxpayer was not dealing at arm's length, to become unenforceable by virtue of the operation of any law limiting the time for bringing action thereon,
  - (iv) gifts made by a corporation at the direction of, or with the concurrence of, the taxpayer, and
  - (v) where the taxpayer is a beneficiary under a trust that has been used by the taxpayer's spouse to make an exempt gift or bequest to the taxpayer, payments out of the trust unless such payments are in accordance with the original terms of the trust,
- (d) where a person has made a gift that was exempted from tax by virtue of paragraph (b) of subsection (4) of section 112 of the said Act and such gift takes effect prior to the death of that person or the donee obtains the benefit thereof prior to the death of that person, he shall be deemed to have made a gift equal to the full value of the property on the day such gift takes effect or the donee obtains the benefit thereof, and
- (e) the rates of tax on gifts provided in section 113 of the said Act be repealed and that the tax payable by an individual upon the aggregate taxable value of gifts made by him in a taxation year shall be an amount equal to the excess of
- (i) the amount determined by applying the rate schedule set out below to his cumulative gift sum for the taxation year
- over
- (ii) the amount determined by applying the said rate schedule to his cumulative gift sum for the immediately preceding taxation year and for the purpose of this motion an individual's cumulative gift sum
  - (iii) for the 1968 taxation year, shall be the aggregate taxable value of gifts made by him after October 22, 1968 and before January 1, 1969, and