

## Notice of Ways and Means Motion to Amend The Income Tax Act

That it is expedient to amend the Income Tax Act and to provide among other things:

### **Forward Averaging**

(1) That for the 1983 and subsequent taxation years, the definition of taxable income be amended to allow for any addition as provided in Division C of the Act.

### **Employment Expense Deduction**

(2) That for the 1983 and subsequent taxation years, the employment expense deduction be increased from 3% of employment income, maximum \$500, to 20% of employment income, maximum \$500.

### **Overseas Employment Credit**

(3) That for the 1984 and subsequent taxation years, the overseas employment deduction be replaced by a tax credit equal to 80% of the tax otherwise payable by an individual on up to \$100,000 of his eligible overseas employment income, that the credit not apply to individuals entitled to an exclusion under subparagraph 6(1)(b)(iii) of the Act and that consequential amendments be made to the foreign tax credit.

### **Crown Royalties**

(4) That for amounts that become receivable after April 19, 1983 in respect of the period after that date, subparagraph 12(1)(o)(v) of the Act apply only to a taxpayer who has an interest with respect to which the statutory or contractual obligation referred to in paragraph 12(1)(o) of the Act is imposed.

### **Repayment of Deposits**

(5) That for the 1982 and subsequent taxation years, any repayment by a taxpayer of amounts included in his income under paragraph 12(1)(a) of the Act be allowed as a deduction.

### **Listed-Personal-Property Losses**

(6) That listed-personal-property losses of a taxpayer for the 1984 and subsequent taxation years be deductible in computing his net gain from dispositions of listed personal property for the 3 years preceding and the 7 years following the loss year, except that the listed-personal-property loss for 1984 shall be carried back only to the two preceding taxation years.

### **Child Care Expenses**

(7) That for the 1983 and subsequent taxation years, the provisions of section 63 of the Act relating to the deductibility of child care expenses be modified

(a) to increase the maximum amount deductible to the least of \$8,000, \$2,000 per eligible child and  $\frac{1}{2}$  of the claimant's earned income,

(b) to provide similar rules for men and women with respect to their eligibility to deduct child care expenses, and

(c) to restrict the deduction in most circumstances to the parent or supporting individual having the lower income, except in respect of a period when that person is infirm, in prison or in full-time attendance at a designated educational institution.

### **Successor Corporation Rules**

(8) That the provisions of the Act relating to the deduction of exploration, development and resource property expenses of a predecessor corporation by a succes-