

### *Mortgage Tax Credit*

because of this, and to reimburse them because of its effect on other federal financial programs, it would have cost perhaps an additional about \$900 million to \$1 billion when the scheme was in its full effect in the fourth year.

This plan is to be phased in over four years, as was promised in September, 1978, by the Prime Minister. It was a commitment which aroused a lot of interest during the election campaign. It was one of the principal reasons, I believe, that people supported this party, and for that reason and, because it is in the interests of Canadians, we intend to see that this promise and this commitment are carried out. Apart from the general repugnance of the people of Canada for the man who was leading the government at that time and their desire to have a change after 16 years, one of the main planks in our campaign which aroused interest amongst the people was this property tax and mortgage interest plan. Not only did it arouse interest among home owners, but among tens of thousands of apartment dwellers who found it desirable because they did not want to live in apartments for the rest of their lives. They want a chance to own a home like many other Canadians.

● (2010)

The Liberal party, the then government, campaigned against this policy. Their campaign had absolutely no effect at all. In apartment after apartment which I went to in my own district of St. John's West, the occupants would ask me about this policy because they supported it, particularly the young who occupied those apartments because they hope one day that they will own their own homes and that this policy will assist them. The campaigns of the Liberal party and the NDP to try to persuade apartment dwellers that they should vote against this great move forward were unsuccessful. It is those people we want to assist.

I want to make it clear that this is a tax credit and that you will only get something out of this legislation if you are a taxpayer. If you are a federal taxpayer, you will get a tax credit under this legislation. If you do not pay federal taxes, then you do not get any value out of this legislation until you become a federal taxpayer because this is a tax credit and not merely refundable. If you are a home owner and a taxpayer living anywhere in Canada, you will benefit because you will be entitled to a property tax credit.

The property tax credit in the fourth year, or 1982, when this plan becomes completely mature, will be \$250, whether or not you have actually paid \$250 in municipal taxes. Whether or not you have paid one cent in municipal taxes, you will get a property tax credit against your federal basic tax of \$250 in the fourth year of this plan.

If this legislation is passed by this honourable House, and the hon. gentlemen opposite permit it to be passed before December, you will be entitled as a home owner and a federal taxpayer to a credit of \$62.50 in 1979. In 1980 you will get a tax credit of \$125, and in the year 1981 you are entitled to a mortgage tax credit of \$187.50. In the fourth year of the plan, 1982, you become entitled to a tax credit of \$250.

[Mr. Crosbie.]

If you own a home, a condominium, a mobile home anywhere in Canada or even spend money in excess of \$5,000 to renovate your home, you become eligible for this assistance under the mortgage interest provisions. Whether or not you pay a cent of municipal taxes, if you are a home owner and pay federal tax you will receive \$62.50 this year. If you do not get the \$62.50, you will know who to blame before we are finished. The tax credit will be \$125 next year, \$187.50 in 1981, and \$250 in 1982.

If you are also a home owner who has a mortgage on his home, and most home owners do, or on your condominium or your mobile home, then you are also entitled to get a credit for the mortgage interest you pay. The maximum amount of mortgage interest on which you are entitled to a credit is \$5,000.

In the fourth year of this plan when it is fully mature, you will be entitled to deduct from your basic federal tax payable the amount of \$1,500. You have a tax credit of 25 per cent of your mortgage interest up to a maximum of \$5,000. In the fourth year of this plan, 1982, if it is enacted by this House, you will be entitled to deduct from your federal tax payable \$1,500. That is not chicken feed. For those people on the opposite side of the House who make the welkin ring now that they are in opposition with cries about high interest rates, we must not let them forget that this legislation will be of considerable assistance to people whether they are struck by high interest rates or low interest rates.

What about the year 1979? If you are a home owner and in Canada in 1979, with a mortgage on your home on which you are paying anything up to \$5,000, you will be entitled to deduct 25 per cent of that interest from your taxes payable and one-quarter of that this year. So if you pay \$5,000 in interest this year, you will be entitled to a maximum credit of \$312.50 on your mortgage interest in 1979.

If you are a mortgagor, a person who has a mortgage on your home, in 1980 and you pay the maximum amount of interest, \$5,000, you will get a tax relief of \$625 from your federal taxes payable. If you are that same person in 1981, the third year of this plan, you will be able to deduct an amount of \$937.50, and in 1982 you will be able to deduct \$1,250. If you take the maximum mortgage interest tax and the property tax credit, in 1979 you will have a credit of \$375. In other words, when you make out your tax return in March or April, you will be able to deduct \$375 from your federal tax payable. In 1980 you will be able to deduct \$750, in 1981 the deduction is \$1,125, and in 1982 you will be able to deduct \$1,500.

If you are an individual who is fully eligible, who is paying in excess of \$5,000 a year in mortgage interest each year, over the four years from 1979 to 1982 you will get \$3,737.50, if you are so permitted. If other members of the House join with us in passing this legislation, you will have a benefit of \$3,737.50. But if the hon. gentlemen opposite do not join with us in passing this legislation, you can thank them for preventing you from having this tax relief. We will know exactly who they are and the people will know exactly who they are, those members who do not want you to meet the cost of owning a home.