nies formed by corporations, the long and complex provision that deals with corporations that are connected with several companies will be replaced by an anti-loophole provision drafted in general terms. These changes in the small business tax system will apply to fiscal 1985 and thereafter.

However, a related measure dealing with control options will become effective starting fiscal 1986. The purpose of this measure is to prevent a corporation from being eligible as a private Canadian-controlled corporation if a non-resident or a public corporation has an option or the right to take control of the corporation. The year's grace provided before this measure becomes effective will give non-residents and public corporations now holding such rights or options a chance to reorganize their business so as to keep the corporation concerned eligible as a private, Canadian-controlled corporation.

Mr. Speaker, there will also be two changes in the rules on tax instalment payments. The first change will provide an exemption from such payments for individuals whose instalments will be $1,000 or less. At the present time, all individuals paying more than $400 in taxes must make quarterly instalment payments. Furthermore, the cut-off point of $1,000 will be extended to corporations. These changes will be effective as of fiscal 1984.

• (1150)

Roughly 350,000 older taxpayers will no longer have to pay tax instalments. For example, a married taxpayer over 65 who uses every interest income deduction will no longer have to make quarterly tax payments, provided the couple's income does not exceed $18,000. Another 130,000 Canadians and more than 50,000 corporations will no longer have to meet that requirement. Most of those corporations are small family businesses and farms.

An exemption will be made concerning interest due on late or insufficient instalments. Interest of $25 or less on late or insufficient federal and provincial tax instalments will be waived.

With respect to the operating costs of an automobile, the current legislation provides that the employee who makes personal use of a car supplied by the employer must include in his income the automobile benefits related to the operating costs, such as gasoline, repairs and insurance which are paid by the employer. He must also include in his income the benefit represented by the use of the automobile, commonly referred to as the standby charge in respect of the automobile. To figure out the benefit involved in operating costs, the employer must keep track of all expenses of each vehicle and distances travelled by each employee on a personal or business basis. This is a complex and time-consuming exercise and a simplified formula will make it easier to take this benefit into account.

For a great many employers and employees, combining the operating costs benefit and the standby charge in respect of the automobile will result in much fewer expenses for simply abiding by tax regulations.

As to moving expenses, the Income Tax Act now provides a deduction for such expenses when someone ceases to be employed and must move elsewhere in Canada to get a new job. This deduction will be available to anyone who was unemployed and moved after 1983 to get a new job or open a business.

At the present time, Mr. Speaker, alimony payments made before the date of a court order or a written separation agreement are neither deductible nor included in taxable income. A number of taxpayers who thought they could benefit from such fiscal reciprocity have been affected by this restriction. Generally speaking, that is the case of a taxpayer who makes maintenance payments to his or her spouse and children after the marriage breakdown, but before the formal separation agreement is signed.

The new provisions will amend the rules applicable to payments made before the date of a legal order or a written separation agreement when, if it were not for this date, the payments would have been deductible and taxable.

Taxpayers can now deduct, within prescribed limits, the payments made by their spouse under a Registered Retirement Savings Plan or RRSP. A special rule prevents the use of the spouse's RRSP to transfer income artificially from one spouse to another. According to this rule, when money is withdrawn from a RRSP by one of the spouses, the other spouse must include in his income any payment to this RRSP during that year and the two previous years.

The new provisions will state that this rule does not apply if, following a marriage breakdown the two spouses are living apart when the money is withdrawn. This provision will apply to the sums withdrawn from a RRSP after February 15, 1984.

As the Minister said earlier, Mr. Speaker, other issues will also be examined, such as charitable organizations, tax assistance to farmers, tax incentives for businesses, and so on.

To conclude, Mr. Speaker, these are some of the initiatives which we consider essential to meet our objectives. They reflect the honesty and integrity of a Government which has set for itself this goal of rebuilding our economy.

We are united by a common will to have a strong and prosperous country. Meeting this objective will improve the situation of every one of us. We can reach this goal if we all work together.

[*English*]

Mr. Deputy Speaker: The Hon. Member for Edmonton South (Mr. Edwards) on a question or comment?

Mr. Edwards: I have a comment to make, Mr. Speaker, if I may. I wish to congratulate the Hon. Minister of State for Finance (Mrs. McDougall) for her lucid exposition of these