

(a) by striking out lines 20 to 39 at page 95 and lines 1 to 32 at page 96 and substituting the following therefor:

"188. (1) Where a commercial activity of a registrant (other than a registrant to whom subsection (5) applies) consists of taking bets or conducting games of chance and, in the course of that activity, the registrant pays an amount of money in a reporting period as a prize or winnings to a bettor or a person playing or participating in the games, for the purpose of determining an input tax credit of the registrant, the registrant shall be deemed to have received in the reporting period a taxable supply of a service for use exclusively in the activity and to have paid, in that period, tax in respect of the supply equal to the tax fraction of the amount of money paid as the prize or winnings.

(2) Where, in the course of an activity that involves the organization, promotion, hosting or other staging of a competitive event, a person gives a prize to a competitor in the event,

(a) the giving of the prize shall be deemed, for the purposes of this Part, not to be a supply;

(b) the prize shall be deemed, for the purposes of this Part, not to be consideration for a supply by the competitor to the person; and

(c) tax payable by the person in respect of any property given as the prize shall not be included in determining any input tax credit of the person for any reporting period."

(b) by adding, immediately after line 45 at page 96, the following:

"(5) Where a registrant who is a prescribed registrant throughout a reporting period makes taxable supplies of rights to play or participate in games of chance, the following rules apply:

(a) the registrant may claim an input tax credit for the period equal to the amount, if any, by which

(i) the total tax (other than tax that the registrant is deemed under this Part to have collected) in respect of all supplies made by the registrant that became collectible in the period

exceeds

(ii) 7 percent of the total of all amounts each of which is

(A) consideration that became due in the period, or that was paid in the period without becoming due, for a supply of property or a service made to the registrant, or

(B) an amount (other than consideration included in clause (A) in any reporting period) paid in the period by the registrant to or for the benefit of a person where the amount is or would be, if the person were resident in Canada, required under section 6 of the "Income Tax Act" to be included in the income of that person from an office or employment;

(b) tax that became payable, or that was paid without becoming payable, in the period by the registrant in respect of supplies made to the registrant shall not be included in determining any rebate under section 259 or any input tax credit (other than an input tax credit

determined under section 193) of the registrant for any reporting period during which the registrant is a prescribed registrant;

(c) any property or service acquired in the period by the registrant shall be deemed to have been acquired for use exclusively in activities other than commercial activities of the registrant; and

(d) the registrant shall be deemed not to increase, in any reporting period during which the registrant is a prescribed registrant, the extent to which any capital property of the registrant is used in commercial activities of the registrant."

#### Motion No. 86

That Bill C-62 be amended in the Schedule by striking out section 5 at page 323 and substituting the following therefor:

"5. A supply made by a public sector body of an admission in respect of a place of amusement at which the principal activity is the placing of bets or the playing of games of chance, where

(a) the administrative functions and other functions performed in operating the game and taking the bets are performed exclusively by volunteers; and

(b) in the case of a bingo or casino, the game is not conducted in premises or at a place, including any temporary structure, that is used primarily for the purposes of conducting gambling activities.

5.1. A supply made by a charity or non-profit organization (other than a prescribed person) of a right to play or participate in a game of chance (other than a prescribed game of chance).

5.2. A supply of a service that is deemed under section 187 of the Act to have been supplied

(a) by a charity or non-profit organization (other than a prescribed person); or

(b) where the service is in respect of a bet made through the agency of a pari-mutuel system on a running, trotting or pacing horse-race."

**Mr. Speaker:** In accordance with the previous ruling, Motions Nos. 19 and 86 are grouped together for the purpose of debate. The vote on Motion No. 19 will also apply to Motion No. 86.

#### Mr. Lorne Nystrom (Yorkton—Melville) moved:

##### Motion No. 25

That Bill C-62 be amended in Clause 12 by striking out lines 30 to 41 at page 148 and lines 1 to 29 at page 149.

**Mr. Speaker:** Is it the pleasure of the House to adopt the said motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**Mr. Speaker:** All those in favour will please say yea.