

CHAPTER 7

THE SEPARATION OF POLICY AND TECHNICAL MATTERS

PRINCIPLE: The budget should not deal with technical changes to the Income Tax Act. They should be separated from policy matters and grouped together in a single bill.

The presentation of technical changes to the taxation statutes at budget time is confusing and detracts from the thrust of the economic policy contained in the budget.

Many witnesses heartily endorsed any procedure which would allow technical tax changes to be considered on their own, separate from policy matters. The major problem with such a procedure may be encountered when one attempts to differentiate between technical and policy matters.

The Committee notes the success of the most recent attempt to group together technical tax changes in a single bill. Bill C-72, being an act to amend The Income Tax Act, dealt with non-controversial issues or matters of administration. If this bill is used as a guide then it should be possible to group technical changes into one bill which is not introduced as part of the budget.

The Committee in making its recommendations is aware that if the government decides to place a matter which could be considered to be one of policy into such a technical bill it will defeat the purpose of having a method for dealing with purely technical changes. The Opposition will want to debate such a bill at length. Consequently not only will the approval of the policy change be delayed but so will all the technical changes contained in the bill.

It is essential if technical changes are to be dealt with in a separate bill that the bill be accompanied by detailed explanatory notes setting forth the reasons for the suggested changes.

Recommendations

- 7.1 We recommend that strictly technical taxation matters be separated from the major policy aspects of the budget and not be dealt with as part of the budget.
- 7.2 We recommend that these technical changes when deemed to be sufficient in number be grouped together in a single bill, which after second reading would be referred to a committee for study. After the hearings on these changes have been completed, the bill is to be reported back to the House and dealt with on its own merits and not as part of the other budget bills.
- 7.3 We recommend that in order to facilitate the study of these technical amendments that appropriate explanatory materials be tabled with the bill.