

*Income Tax Act*

two investment tax credits could be stacked one on top of the other and the investor could receive a benefit from the public purse, both federal and provincial, that might exceed that which policy would dictate. As a result, we asked the Minister if he would not look into the question of stacking to see if the kinds of investment tax credits that were made available would remain within the policy that we had prescribed regarding how much should be provided as an incentive to investors, and the Minister agreed once again that he would look into these matters. It is certainly a matter for federal-provincial negotiation but not a matter that could be decided quickly or decided in this legislation. Apart from that, the investment tax credit proposals that are being put forward were felt by all members of the Committee to be good proposals.

The deduction for child care expenses has been increased and indeed has been doubled. It has gone from \$1,000 up to \$2,000 per child, to a maximum of \$8,000. We thought that that was a very good measure indeed. We have heard a great deal said about the standard deduction today. In effect, the standard deduction means that if one is to deduct an amount from one's taxable income, then indeed it should reflect an amount that has been contributed to some organization that provides a social good. In other words, that deduction should be for an actual contribution to a charity. As it stands now, a person who makes no contribution whatsoever can deduct \$100 from his taxable income whether or not he makes a contribution.

The proposal to remove the \$100 deduction only means that if one is to receive a tax deduction, which is ostensibly for either medical expenses which are still tax deductible above 3 per cent or for a charitable donation, then one should have paid those medical expenses or made a charitable donation. That seems to be eminently sensible.

A question was raised regarding the receiving of receipts. A person will now have to attach receipts to his tax form proving that he gave \$25 to the Heart Fund, \$25 to the Cancer Society and \$25 to the Red Cross, and he will be able to deduct that amount from his taxable income. That also seems eminently sensible.

We have heard that there is a \$8 cost for issuing a receipt. The people who come around to my door collecting for the Cancer Society, the Heart Fund or the Terry Fox charity ask me if I would like to make a donation. I say that I would, I write my cheque, hand it to them, they fill out a receipt, sign it and give it to me. Later, I attach that receipt to my tax form. The receipt is issued at the door. The only time a receipt has to be issued is when you use direct mail. Then a receipt has to follow but that is the choice of the charity. It can use door to door volunteers or direct mail. In this day of computers surely we can overcome the difficulty of issuing receipts for tax purposes.

● (1750)

I think the standard deduction should have been removed and the deduction of any charitable donation to a registered charity should be maintained. It just requires a receipt. That is

a fair proposal and it should have been implemented a long time ago. The give and take proposal is something quite apart and will have to be considered in future legislation.

The Committee looked at other measures such as that for joint exploration corporations. It thought there were administrative problems with that and it was referred back to the Minister of Finance. The Committee considered restricted farm losses and found the matter to be an area worthy of further discussion and study. It did not say that the Minister should change the proposals which are put forward in the Bill but rather, that the area was worthy of further discussion and study.

Tax legislation does not come in one big package in an attempt to solve all problems at once; it evolves over time. I shall say something about that later if I may.

One very interesting question is not dealt with in the legislation although the Committee thought it should be. A taxpayer is charged interest from the day taxes are due if they are not paid. The Committee felt it was reasonable that if taxes were overpaid, interest should accrue for the period during which the Government had use of the money that was overpaid. If interest is charged for underpayment of tax from the date the underpayment occurs, then interest should be paid on overpayment of tax from the day on which the overpayment occurred. That matter is being examined by the Minister and the Department.

That is the sum total of the concerns of the Members of the Finance Committee with regard to the legislation. Two pages sum up the entire report of the Committee. Only two submissions were received from the public and the business community, so I do not know how Members like the Hon. Member for St. John's West (Mr. Crosbie) who was a member of the Committee—although his attendance record is not exactly perfect—can stand here and rave that the legislation is horrendous and should be mulled over in the House and in committee forever. Presumably Members of the Finance Committee have expertise in this matter and they have reported back saying, in essence, that the Bill is a good one, that the proposals are good, but that there are some problems that should be studied further.

I think it is eminently sensible to move forward with the legislation, Mr. Speaker, and get it through the House. I suggest that it should be passed before we leave for the Christmas recess so that taxpayers can be assured they will receive their refunds on time. In the new session we should deal with initiatives rather than a Bill that has been studied and commented on favourably, in almost all cases, by the community at large.

Today, the Hon. Member for St. John's West commented on certain proposals on taxation that I have put forward. I have been interested in this area for a very long time, as has the Minister of State for Economic and Regional Development (Mr. Johnston) who recently made a speech on the subject to the Canadian Tax Foundation. I have put forward proposals that would change the tax laws in radical ways. I am not ashamed of that. I do not think it flies in the face of what a