

ACADEMICS

24. That Revenue Canada develop and exercise expertise in applying the reasonable expectation of profit test to academic activities where the application of the test poses the same kinds of problems that were identified for the professional visual arts and writing.

25. That the government address the question of employee deductions in general with a view to assisting those groups whose expenses demonstrably exceed the standard deduction now permitted.*

ADDITIONAL CONSIDERATIONS

26. That the government develop an averaging system for taxpayers with fluctuating incomes that will be available for those whose marginal rate of tax is below the maximum. The system should not involve an initial increase in cash payable.

27. That grants (other than educational grants) awarded to professional artists be treated as business income from which expenses can be deducted, subject only to the loss limitations in Recommendation 12.

28. That Revenue Canada update IT-257 to reflect the changes in the nature of Canada Council grants following the 1978 formation of the Social Sciences and Humanities Research Council of Canada.

29. That the form currently entitled "Notice of Assessment" be redesigned so that taxpayers will be adequately informed about the nature of the form and the powers of Revenue Canada to assess in detail at a later time.

30. That the tax system provide financial incentives for visual artists to donate their own works of art to charity.

31. That the government reconsider the federal sales tax, customs and excise issues identified by the Disney Report with a view to resolving longstanding areas of complaint by the artistic community.

* For Mr. Orlikow's dissenting opinion see p. 26.