

Excise Tax Act

I note that paragraph 47(1)(b) of the ways and means motion states that there shall be a rebate paid where gasoline has been purchased by a municipality. But in the bill that paragraph affecting a municipality is eliminated. The House passed a budget proposal based upon that exemption. This bill, by excluding it, proposes to reimpose a tax on a municipality, without authority.

The second defect lies in this: paragraph 47(1)(g) of the ways and means resolution, which is now paragraph 47(1)(f) of the bill, by reason of the deletion of subparagraph (b) relating to municipalities is changed in language.

What do we see, Mr. Speaker? In the ways and means motion the, shall we say, catch-all clause, paragraph 47(1)(g) reads:

by a person of such other class of persons as the Governor in Council may by regulation prescribe,

In other words, authority is being asked by the governor in council to determine from time to time the categories of persons to whom rebates will be paid. But, lo and behold, proposed section 47(1)(f) of the bill reads:

a person within a class of persons exempt from tax under Part I of the Income Tax Act,

Those who possibly might be exempt under regulation by the governor in council turn out to be a definitive group of people named in Part I of the Income Tax Act. That is an entirely different group of people.

The third violation involves the residual paragraph of proposed section 47(1), which reads in the ways and means motion as follows:

for the sole use of the purchaser and not for resale, and the tax imposed by Part III has been paid in respect of such gasoline, the minister may, upon application by the purchaser, in such form and in such manner as the minister prescribes, pay to the purchaser an amount equal to that tax.

But the bill imposes a two-year time limit. The residual paragraph of proposed section 47(1) reads in part:

... the minister may, upon application in writing by the purchaser to the minister made within two years from the time the gasoline was purchased ...

That is also a change, not merely a little change of language, or a small consequential change. One cannot say that language is generally based on the motion.

I remember, when I last raised this particular objection, or a similar point of order, the minister said there was little change in language. Well, municipalities will not now be able to claim the rebate. Is that not a substantial change? Further, the minister in this bill has denied himself the opportunity of further defining persons entitled to rebates—for example, the handicapped who must use their cars to get to work. We are told that this group of exemptions is now to come from Part I of the Income Tax Act.

What is the result of these changes? A tax has been placed on municipalities from which this House exempted them when it adopted the ways and means resolution to amend the Excise Tax Act. This is taxation without consent of parliament. We do not know how much extra tax this provision will levy on the municipalities, but I suggest that the amount could be substantial.

On the second change, Your Honour may find it difficult to determine if there is an important effect on the balance

[Mr. Lambert (Edmonton West).]

of ways and means because the matter involves the legal interpretation as to what is provided under that section of the bill and what is provided for in the ways and means motion for that group of persons who might have been given an exemption by order in council.

The third change obviously places a burden on taxpayers by restricting their right to claim within two years. There is that limitation. In the ways and means motion this provision was left open-ended.

In the explanatory note to the bill there is not one title of explanation as to these changes. Therefore I submit that as this bill, as provided in Standing Order 60(11), does not conform to the ways and means motions adopted by this House last week and as it is fundamentally imperfect, it has to be rejected. A proper bill then must be brought in based upon the ways and means motions. The proper bill must be brought in before the House can even consider the matter. I am not bringing forward this point merely as an idle gesture, Mr. Speaker. This point has been raised time and again under our amended procedures, particularly with regard to Standing Order 60(11). The government has not introduced merely some general changes to the Excise Tax Act. The motion spells those changes out and the government, having adopted the practice of following them, must follow through in the present instance.

The House cannot accept, indeed will not accept, some sort of hit or miss bill brought in just because somebody in the treasury has been careless in preparing the bill or because the minister has changed his mind since preparing the ways and means motion.

Mr. Speaker: Before calling on the Minister of Finance (Mr. Turner), I want to make certain I understand the three points the hon. member for Edmonton West (Mr. Lambert) raised. The first two are clear. The first has to do with removal of the intended exemption for municipalities; the second with the imposition of a two-year limit, if there is application. But the third point, to do with the possibility of actions by the governor in council creating a class of persons which will be either subject to or exempt from tax is not clear. I wonder if the hon. member would explain that point again.

Mr. Lambert (Edmonton West): I am sorry I was not clear enough, Mr. Speaker. Proposed section 47(1) denotes those who will be entitled to the rebate. This comes under part 3 of the ways and means motion. In the ways and means motion section 47(1) reads in part:

Where gasoline has been purchased ...

(f) by a person under conditions for which relief from the consumption or sales tax is provided by virtue of any provision of this act other than subsection 27(2), or

(g) by a person of such other class of persons as the Governor in Council may by regulation prescribe,

The pertinent wording of course is, "by a person of such other class of persons as the Governor in Council may by regulation prescribe." However, the bill reads as follows:

● (1530)

Where gasoline has been purchased by ...

(f) a person within a class of persons exempt from tax under Part I of the Income Tax Act,