

Income Tax Act

[Translation]

Mr. Gauthier: I am disappointed because in fact this person, Mr. Speaker, was entitled to \$454 on April 30. And as the Minister just told me, because he received a pre-payment in November and earned \$16,000, which is still below the \$23,500 level for eligibility to the income tax credit, the Minister just told me that taxpayer will be paying interest starting from April 30 until he receives notice from Revenue Canada that his income tax return has been accepted. Did I understand the Minister correctly?

[English]

Mr. Hockin: Mr. Chairman, there is nothing different here from the way the Income Tax Act ordinarily operates. When he files he will be able to tell immediately whether the amount was excessive or not. As a matter of fact, if he keeps his records, he will know at the end of December, the calendar year, whether the amount was in excess. So there is nothing new. That is true of all tax returns, and it is true for other matters of this type. It seems to me that the truth will not be hidden from him. He will probably know on January 1 and he will certainly know when he does his return on April 30.

Mr. Gauthier: The Minister misses my point. From the total \$454 to which that person was entitled will be deducted the interest payment, therefore he will get less than the \$454, yes or no, depending upon when he pays?

Mr. Hockin: Depending upon what, Mr. Chairman?

Mr. Gauthier: Depending upon when he pays his income tax.

Mr. Hockin: Mr. Chairman, if he is entitled to his \$454 credit, there is no reason why he would have this deducted from it. This is his credit.

Mr. Gauthier: The Minister just told me there would be no deductions if the taxpayer is eligible for that \$454, even though the eligible amount of \$15,000 was set, rather than the \$23,500 which the program allows, and the fact that he earned anything over \$15,000 would not in any way prejudice the \$454 which he would receive? He would not have any interest deducted from that amount for having earned over the \$15,000 ceiling?

• (1430)

Ms. Mitchell: Mr. Chairman, I am sorry to interrupt my hon. friend, but both gentlemen who have been speaking have constantly referred to "he" as does the Bill in reference to the people who will be recipients of the child tax credit. It is usually the mother who is the recipient. I am serious about this. I have asked in the House before, and I ask again now, that this kind of sexist language be removed from our legislation. How can this be done, Mr. Chairman? It is long overdue. It is offensive to me to read this in the Bill and to hear this pronoun being used when it is inappropriate.

The Chairman: I am sure all Members will take note of the comments made by the Hon. Member for Vancouver East.

Mr. Gauthier: Mr. Chairman, I understand the point. It is difficult for me to say "it" but I believe that "person" or "individual" could refer to either a she or a he.

The Chairman: Shall clause 3 carry?

Some Hon. Members: Agreed.

Clause 3 agreed to.

[Translation]

On Clause 4 - *Prepayment of child tax credit*

Mr. Garneau: Mr. Speaker, Clause 4 amends Section 164(1) of the Income Tax Act, to provide for the pre-payment, in respect of every eligible child, of \$300 or such greater amount as prescribed by the Minister, as described in clause passed earlier, and for the \$300 to be prepaid to the taxpayer in charge of the dependent child who earned less than \$15,000 during the previous year, which means that the payment to be made in 1986 would be based on the family income for 1985.

Mr. Speaker, I do not understand the Government's way of reasoning. We have been hearing a lot of rhetoric from the Government side about those tremendous benefits. I know your neutral position has prevented you from doing so, but from the Government side we heard so much rhetoric implying that this was new money, new legislation. Fortunately, the Minister of State for Finance (Mr. Hockin) said at the end of his remarks that this would not cost the Government one penny because otherwise we would have asked where they got the funds needed to pay such amounts. Something I cannot understand is how this Government came to that \$300 figure, when the child tax credit is \$454, at least as I understood it would be for this year? Why is the Government legislating piecemeal? I suppose that where a family earns \$15,000, especially since that is the maximum income for entitlement to the pre-payment, why not prepay to that needy family the whole of the \$454 child tax credit?

It has been stated that the basic reason for this legislation was to somehow stave off tax refund discounters. If there is a \$154 balance left in the case of a family earning less than \$15,000, with two or three dependent children, this will amount to \$154 times three or four, and that is a lot of money. Do you think a family in the habit of using discounter services would stop doing so for that \$154 balance? Statistics that have been compiled show that it is mainly families below that approximate level of income who use discounters. Those families will still earn less than the minimum at which tax discounters are used. Why did the Minister not provide for \$454 rather than \$300?

And to use the Minister's own terms, Mr. Speaker, since we have been told this legislation would not cost the Government a single penny because the total payment is \$454, I would like in the same spirit to bring forth an amendment to that clause