

*Clause 28.* (1) Section 73 is repealed in accordance with paragraph 6 of the Income Tax Resolution which reads as follows:

6. That for the 1950 and subsequent taxation years, section 73 of the *Income Tax Act*, which imposes a tax on income from oil royalty rights held by a trustee as if the trustee was a corporation, be repealed.

(2) The new section 73 in part re-enacts section 9, repealed under clause 3. Subsection (6) of Section 9 is not re-enacted. This is the provision that gave the Minister of National Revenue authority to notify a corporation that its undistributed income on hand is excessive. Subsection (4) (new) provides that a shareholder is not taxable in respect of dividends deemed to have been received from a private company which has paid the tax on its undistributed income. Subsection (6) (new) provides that where a stock dividend is declared an amount equal to the value of the stock dividend or the undistributed income on hand, whichever is the lesser, will be deemed to have been capitalized immediately before declaration of the stock dividend.