

Income Tax Act

My second point is why try to divide entitlements when matters could have been so simple? We know that the child tax credit can reach \$454. If the Government wants to be generous, as the Minister states, why not give the full amount, why only \$300? Why not pay the full amount immediately, which would avoid the need for a second cheque in the many cases where the recipients pay no taxes? Administratively, the Government could have saved some money.

My third point is something which I find rather surprising. Under this Bill, the recipients of this advance payment, since that is what it is, would not have to complete any application form. It is the Minister of Finance (Mr. Wilson) who will decide *proprio motu* to send \$300 to family X, Y, or Z. And in case of an overpayment, an interest on this overpayment will be charged.

A family earning \$24,000 a year is not necessarily affluent, especially if it has several children. These people who will have received a cheque from the Government without filling out a form would be asked not only to reimburse the amount, which would be understandable, but also to pay interests on it. And not only would they be asked to pay interests on it, but they would even be asked to pay interests from the date the cheque was mailed. The explanatory notes which we have received say so in so many words, while everywhere else in the Income Tax Act, the interest is payable from April 30 in the case of an overpayment or a shortfall.

Therefore, everywhere else in the Income Tax Act, interests start to accrue from the very last day the taxpayer must submit his income tax return. There will be an exception in this case, because it says that it is from the date, say November 15, that the interest will accrue. Again, I wonder why the Government is so stingy in a measure which it has introduced as a cost free gesture of generosity.

Mr. Speaker, I wonder if the Minister, either in his remarks or comments before tomorrow—because I do not think this Bill will be referred to the Committee of the Whole or a legislative Committee before tomorrow or next week—could reconsider this issue which appears to me to be somewhat ridiculous, in the light of the rest of the income tax legislation.

Mr. Speaker, the Government has decided to introduce a Bill concerning the tax credit reimbursement. It has announced that it intends to introduce another legislation dealing with the sales tax. I imagine also that a number of measures will be introduced as a result of the Budget speech. This piecemeal approach is really the trade mark of this Government.

At a time when the idea of a tax reform was thrown at us, at a time when the Minister of State for Finance (Mr. Hockin) was telling us it was a very important measure that would cost nothing to the taxpayers and nothing to the Government because they are trading four quarters for a dollar bill, we are paying for it in November or December instead of February or March, at a time when the Minister is trying to take advantage

of those measures when he himself states they cost nothing, which means they are not that significant to the beneficiaries, I am wondering whether the time has not come for the Government to look at the situation, to take a step back, to stop bringing in piecemeal measures, piecemeal legislation, and have a look at the overall package. How can they dissociate tax reform, as it is being loudly announced, from the social impact of income tax measures? Will that be a measure with effects that will last but six months? Will all that be changed by the announced tax reform? No one knows. The Minister of Finance and the Minister of State for Finance are rather reluctant to inform taxpayers, both those who pay income tax and those who are receiving refundable credits, about the intention of this Government. We are going through a period of uncertainty and the business community is wondering what is going to happen in terms of the tax refund.

It is being said in some quarters that the tax burden of corporations will be increased, while that of individuals could be lowered. What about the exemptions? Will the Minister be changing basic exemptions for dependent children? What will be the departure or continuity as between tax changes and the child tax credit? Mr. Speaker, those are all extremely serious questions in my view, not only for those Canadian taxpayers who must pay tax, but also for those who have to make investment decisions.

Those who went through the tax reform in the early 1970s, after the Carter Report and the White Paper tabled by the then Minister of Finance (Mr. Benson), will recall how much the delay in bringing forth legislation inconvenienced many investors. A number of projects had to be shelved for as long as the details of that tax reform were not known. I ask the Government, now that we are considering this legislation to amend the Income Tax Act, that we soon be given an outline of at least its tax reform, in order that Canadian taxpayers can know what to expect over the coming years and how to plan their fiscal situation, both those who pay a high level of income tax and those who will receive an early refund of the child tax credit by virtue of Bill C-11. Because low-income families who hear the Minister of Finance suggest that exemptions will be cut can rightly wonder, in view of the measures implemented by this Government in the last two budgets, what their personal status will be. Will the child tax credit survive the tax reform? Will the exemptions for dependent children continue to be included in the tax reform or is this part of the enlargement of the tax base aimed at reducing marginal tax rates?

Mr. Speaker, I believe these questions should be asked during consideration of this Bill, and most important, that they should be answered. At the time of the last Budget, we were told there would be a White Paper on the business transfer tax. After being told that this would be tabled in April, then in May, then in June, then during the summer,