

Income Tax Act

Merely by reading clause 1 of this bill, one is struck by its complexities. I do not intend to go into all the complexities of the bill, as my colleague from southern Alberta did last night when he referred to and read from Bill C-54 some of its complicated jargon which puts innocent taxpayers at a tremendous disadvantage in dealing with the government. But in turning to clause 1, I should like to point out that there is an ambiguity in the wording which I hope will be amended. The form in clause 1 is changed from the form in the Income Tax Act where the exceptions were placed in brackets.

If one reads clause 1(1)(a), one learns that income includes "the value of board, lodging and other benefits of any kind whatever, except any benefit", and if one excludes subclauses (i) and (ii), "that was received or enjoyed by him in the year in respect of, in the course of, or by virtue of an office or employment". One could get the impression by reading it in that manner that all income was exempt from tax. We know that is not the case. But, if I read this clause as an innocent taxpayer, I would be led to believe, as a citizen of Canada, that I would be required to pay income tax on any other benefits of any kind whatever. Then I would presume that it would include, for example, my expense allowance as a member of Parliament, my honorarium for taxis, the clothing allowances which many employees receive, and the other allowances which are subsequently exempted somewhere in the act.

The point I am making is that innocent taxpayers cannot wrestle with all of the complexities of the act. Therefore the act is written to the advantage of the government in collecting revenue on the widest possible basis from innocent, ordinary Canadians who perhaps cannot afford accountants, who perhaps hire bad accountants, or who struggle to complete their income tax returns on their own with the short form return and perhaps some help from the department.

In the final analysis taxpayers often get stung due to their own inability to digest this complicated and legalistic language. Therefore the Minister of Finance, who is here this afternoon, can impose very significant powers. He has liberties at his disposal which border on the undemocratic and on being immoral. I am speaking of the concept of reverse onus of proof. The taxpayer is made to feel, perhaps without intent, that he is being accused of doing a wrong, that he is found guilty and that he must prove himself innocent. It is wrong, it establishes an adversarial relationship between ordinary Canadian taxpayers and their servants who happen to be employed in the federal Department of Finance as tax assessors.

Sometimes these tax assessors couple this with an attitude of arrogance. Their marriage to their position is measured by the number of dollars they can bring each year to government by way of additional tax revenues. They will not admit mistakes. I have seen cases very close to my own experience where individuals have been accused of earning money they never made. They have been accused and, subject to the outcome of a series of complicated and costly appeals, they have been found responsible for earning income they never actually

received. The onus is placed upon the taxpayer to prove otherwise.

Then there are the tremendous confiscatory powers which the Minister of Finance enjoys in being able to withhold tax which should be returned to a taxpayer in a subsequent year when there is no fault found with his tax return. Those funds are confiscated and held by government to pay off the so-called taxes laid out through the process of assessment before it has been proven that the taxpayer has made an error in his return and should be responsible for remitting those taxes.

The Minister of Finance has the power to garnishee salaries, to take titles of homes, and to demand notes of credit from bankers before innocent taxpayers have been proven guilty of a violation or a transgression under the Income Tax Act. I think that is wrong, wrong, wrong.

This is Canada. It is a free country where we treat one another with dignity. Our citizens should not be put in a position where they are judged and made to feel like criminals until they have had a fair opportunity to prove that they did not receive certain moneys upon which the government is attempting to tax them, without the need of resorting to great legal cost or high-priced accountants.

I have a series of claims by constituents against the Surrey Taxation and Data Centre in the lower mainland of British Columbia. Most of these complaints can be summarized by reading a couple of quotations in a letter which I received from a constituent who has tried since the middle of June, 1980, to obtain information about his assessment because he did not receive his tax rebate after filing his 1979 tax return. He made over a dozen calls since last summer, and he received the following answers: the delay could be caused by the change in government; it could be a million reasons; it is now being assessed; it has now been carded. He received a different excuse each time. Having been told at one point that his return was being assessed, a week later he was informed that it was not being assessed. He was most infuriated, and when he asked to speak to someone in charge, he was told that there was no one, that all the information was in the computer. These are the kinds of problems with which constituents are faced.

I received another letter from an American citizen who was employed and lived in my riding in British Columbia for a year. Some \$6,000 of his income was withheld by the Government of Canada. Last June he wrote a letter, of which I have a copy. It was addressed very carefully to the Surrey Taxation and Data Centre and asked what procedure he had to follow in order to have that withheld tax rebated, in view of the nature of our reciprocal tax treaty with the United States. He received no response to that letter. He wrote again in October, and still received no reply. It was the computer that was responsible; one cannot find a person at the other end of the telephone.

Finally he telephoned the Vancouver tax office in late November and he was told by a clerk that they had received his request of the previous June and that it would be processed in two or three months, that is, some time in February, 1981.