

Income Tax Act
AFTER RECESS

The committee resumed at 8 p.m.

[*Translation*]

The Deputy Chairman: The House again in Committee of the Whole on Bill C-54, to amend the statute law relating to income tax.

[*English*]

When the committee rose at five o'clock, clause 1 of the bill was under consideration and the hon. member for Esquimalt-Saanich had the floor.

Mr. Munro (Esquimalt-Saanich): Mr. Chairman, just before I called it five o'clock, I was talking about the various types of infra-red scanners. I was urging upon the government the inclusion of charges for scanning, certainly for domestic premises or houses, as part of the CHIP program, so as to ensure people receive value for their money.

At the beginning of my comments I was also urging upon the government that instead of making grants outright to people who undertook to insulate their houses, or to add double windows—in order to conserve fuel, that the costs for doing this be permitted as a legitimate deduction for income tax purposes, including the cost of a pre-installation and post-installation scan. I mentioned the cost of that scan would be in the neighbourhood of \$40 for each operation. I do not think that is too much.

The criticism which may be levelled at me would be that perhaps a number of people who are having their houses insulated would not normally pay income tax. In this particular instance what could happen is that the person, who would not normally pay income tax, might very well apply for a refund for the expenditure up to a certain limit. This could also encompass the cost of scanning. This could be done through the submission of an income tax form indicating that there was no taxable income but that funds were paid out for insulation purposes under the CHIP program. Since they were not paying income tax, they were claiming a refund for moneys they had expended.

The message I want to give the government at this time is that there should be an allowance, not as a grant under CHIP but claimable as a legitimate domestic expense, whether or not a person pays income tax. Scanning should be included as part of the whole CHIP operation.

[*Translation*]

Mr. Bussières: Mr. Chairman, as I understand it, we had agreed to put an end to the debate on Clause 1. I shall take a few moments before—

The Deputy Chairman: I am sorry to interrupt the hon. minister, but I would not want to mislead him. Another member has asked to be recognized, but he is not yet in his seat. Would the hon. minister agree to listen to the hon. member before beginning his comments?

Mr. Bussières: I have no objection.

[*English*]

Mr. Nielsen: Mr. Chairman, I rise on a point of order. I think there might be a disposition to move away from clause 1 at this stage. There may well be other members who wish to speak on subsequent clauses, but the minister has a number of questions which he must answer. Perhaps he might be given the opportunity to do so now.

Mr. Knowles: Mr. Chairman, I rise on the same point of order. I confirm what the hon. member for Yukon has just said. I realize that there is no House order and any individual member can exercise his right. But we are prepared, as result of discussions this afternoon, to consider the debate on Clause 1 as concluded, except for the answers to questions. Then, as we move to other clauses, various members may want to speak on some of those individual clauses. But we are prepared to let this be the end of the discussion on Clause 1.

● (2010)

[*Translation*]

The Deputy Chairman: I therefore recognize the hon. Minister of State for Finance.

Mr. Bussières: Thank you, Mr. Chairman. I think that if I try to comment on every question that has been raised, we shall spend many more hours discussing this bill because there have been many interventions. A great many extremely interesting questions have been raised, but I shall try to be as brief as possible so that those members who have other points to make may do so during the clause by clause consideration of this bill.

I intend to go from the general to the specific in my comments as very general remarks have been made and very specific issues have also been raised during the debate on Clause 1 of the bill.

My first general observation will be to comment briefly on the remark made by several hon. members to the effect that this bill is extremely complex. Some members have even referred to clauses or parts of clauses which contain only figures or the numbers of subparagraphs, designated either by Roman or Arabic numerals or by small letters or capitals. This does not seem to make much sense, and it even seems to confirm that all tax or fiscal legislation is overly complicated.

However, I believe we must distinguish between common legislation which applies to all individuals who have to pay income or property taxes and those measures which apply to more complex tax-paying groups or companies, as the tax laws applicable to these companies or firms become more complex in proportion to the complexity of these companies.

On the other hand, if we go beyond the scope of the bill before us, we realize that these are general amendments to the Income Tax Act. Of course, if only part of a clause or even an entire clause is struck from the bill, the result may seem really very complex. But once the amendment becomes part of the