

**Family farm corporations and partnerships**

(5) That where, after April 10, 1978, a taxpayer transfers to his child resident in Canada shares of a qualifying farm corporation or an interest in a qualifying farm partnership, substantially all of the assets of which were used in the business of farming in Canada, any capital gain that would otherwise arise be

(a) deferred, in the case of a transfer on death, and

(b) determined on the basis of the lesser of the proceeds actually received and the fair market value, in the case of an *inter-vivos* transfer.

**Transfers of property pursuant to provincial legislation**

(6) That for the 1978 and subsequent taxation years, the provisions of section 73 of the Act relating to the transfer of property by a taxpayer to his spouse be extended to apply to transfers of property under provincial legislation relating to marital property.

**Agricultural quotas**

(7) That the rules in subsection 73(3) of the Act applicable to the *inter-vivos* transfer of property by a farmer to his child be extended to apply to the transfer after April 10, 1978 of agricultural quotas and other eligible capital property.

**Employee loans**

(8) That for the 1979 and subsequent taxation years, subsection 80.4(2) of the Act be amended:

(a) to extend the definition of "excluded loan" and "housing loan" to include a loan received by an employee from a person other than his employer, and

(b) to extend the definition of "housing loan" to include a loan made to an employee who has moved from a location outside Canada.

**Reduction of capital**

(9) That any amount paid by a public corporation after April 10, 1978 as a reduction of paid-up capital in respect of a share of its capital stock be treated as a dividend unless the amount was paid on the redemption or cancellation of the share, on the winding-up of the corporation or in the course of the reorganization of the capital stock of the corporation.

**Non-arm's length sale of shares**

(10) That the rules in sections 84.1 and 212.1 of the Act be modified to apply to a non-arm's length sale of shares of the capital stock of a corporation after April 10, 1978 to another corporation with which it is connected within the meaning of section 186 of the Act as modified by paragraph (18) of this Motion.

**Losses of certain insurers**

(11) That, for the purpose of computing the taxable income of a life insurer for its 1978 and subsequent taxation years, its non-capital loss for the 1977 taxation year be determined as the amount, if any, by which its 1977 carry-forward deduction exceeds the aggregate of the amounts referred to in subparagraphs 138(4.2)(a)(i) and (ii) of the Act.

**Northwest Territories**

(12) That sections 120 and 124 of the Act be amended effective January 1, 1978 to recognize the introduction of an income tax by the Northwest Territories.