

*Excise Tax Act*

**Mr. Stevens:** Mr. Chairman, could the minister go further, and explain if the \$5 million, that being roughly one per cent of anticipated collections, entails a new expenditure, or is the money earmarked for personnel already employed by the three departments which the minister anticipates will be involved in collecting the new tax?

**Mr. Basford:** Mr. Chairman, when I spoke the other day, I mentioned the cost of collection. I do not have my speech in front of me. I believe I spoke about less than one per cent. I am not going to allow the hon. member to pin me to some precise figure. We are currently working out how much of that will be in money and involve existing staff; we shall see what arrangements we can make with staff in order to accommodate this additional work load.

**Mr. Stevens:** Has any agreement been reached about forms and documentation? Mr. Chairman, may I ask the minister if an agreement on documents has been reached between his department and those in the Department of Finance who will be actively interested in the matter of income tax?

**Mr. Basford:** Mr. Chairman, a liaison committee has been set up which includes personnel from the Customs and Excise and taxation branches, and the Department of Supply and Services. It is to design forms that will be used in connection with this legislation. There has been a high degree of co-ordination and consultation between committee members. I have not yet approved the forms, because the legislation has not yet been passed.

● (1630)

**The Deputy Chairman:** With respect to the hon. member, I must point out we are dealing with a bill that imposes tax. It is not strictly acceptable to pursue this line of questioning, though the Chair does not want to be overly strict in the interest of the hon. member.

**Mr. Stevens:** I was trying to short-circuit matters, Mr. Chairman. I will put all my questions to the Minister of Finance and presumably he can gain the information from his colleague, the Minister of National Revenue. Could the minister indicate whether any consideration has been given to streamlining the collection system? Instead of requiring a person to pay the tax, save receipts, and file a declaration, has consideration been given to some type of exempt card, which would avoid a person having to pay the ten cents a gallon tax and then apply for a refund?

**Mr. Basford:** Mr. Chairman, I think that is clearly a policy matter that depends on the kind of tax imposed. My colleague, the Minister of Finance, should really answer that question.

**Mr. Stevens:** I note the Minister of Finance suggested that from his place. Perhaps I could put the question to him.

**Mr. Turner (Ottawa-Carleton):** Mr. Chairman, I dealt with that on Friday fairly thoroughly. If the hon. gentleman is not happy with what I said—or not satisfied with my response, he may not be happy with it—I would be glad to go over it again.

**Mr. Stevens:** A favourite trick of the Minister of Finance is to say that something has been covered in a previous exchange. I should like him to go over it again.

**Mr. Turner (Ottawa-Carleton):** Would the hon. member give me his specific question?

**Mr. Stevens:** Has consideration been given to streamlining the administrative problem that appears to exist here whereby people will have to pay the ten cents a gallon tax, will then have to file declarations periodically depending on the amount of usage, and hopefully will get a refund, in the meantime having to maintain receipts? To be very specific this kind of tax exemption exists, for example, in the province of Ontario with respect to farmers. I suggest the way it is handled is a much more streamlined process than that we are now contemplating. A farmer simply signs a declaration that he has purchased certain goods, that is he is carrying on the business of farming, and he does not have to pay the tax. There is no red tape regarding applying for a refund, and it is a much more equitable way of handling the tax.

Has the minister considered this type of simplified approach whereby people can simply stamp something on a card which exempts them from paying a tax, and in that way eliminate a lot of red tape that is going to cost over \$5 million in terms of administration, according to the Minister of National Revenue?

**Mr. Turner (Ottawa-Carleton):** This is, of course, a manufacturer's tax, and refunds are available at the retail level, which is why the streamlining would have to take both those factors into account. The answer is yes, we are considering ways of streamlining it, but it might be more appropriate to discuss this on clause 5, which deals with refunds. As for the amount of \$5 million referred to by the hon. member, this is about one per cent of the expected revenue from the tax and compares very favourably with the current 1.2 per cent administrative charge for personal income tax.

**Mr. Benjamin:** I have one short question, Mr. Chairman. Can the minister say whether there is anything in the bill or whether he envisages any regulations that would prevent any escalation of the ten cents a gallon tax that is applied at the refiner and importer level? I am talking of, say, a percentage mark-up all the way down the line, from the refiner to the distributor, to the bulk dealer, to the retailer. By the time it gets to the gasoline pump this tax may be more like 12 or 13 cents a gallon to the automobile user.

**Mr. Turner (Ottawa-Carleton):** Mr. Chairman, there is nothing in the legislation to prevent it, but the Minister of Energy, Mines and Resources said that he would be monitoring that at the same time as the \$1.50 increase per barrel is passed through.

**Mr. Knowles (Winnipeg North Centre):** I have one short question, Mr. Chairman. Perhaps ten minutes or even half an hour ago in response to a question the minister said that this tax would reflect itself in the consumer price index by raising the index by one-half of one percent. May I ask the minister whether he means one-half of one percent, or a half of a percentage point? A