

## Income Tax Act

(d) by striking out lines 31 to 37 on page 471 and substituting the following:

'(i) the lesser of

(A) the amount in respect of the corporation that would be determined at the end of 1971 under subparagraph 28(6)(b)(ii) of this Act as it read in its application to the 1971 taxation year if the provisions of this Act as it so read were applicable to the corporation's 1972 taxation year, and

(B) the amount, if any, by which

1. the amount that the corporation's 1971 undistributed income on hand would be at the commencement of 1972 if subsection 196(4) were read without reference to paragraphs (c) and (f) thereof,

exceeds

2. the amount of the corporation's earnings for the control period that was available for the payment of dividends (within the meaning assigned by subsection 28(5) of this Act as it read in its application to the 1971 taxation year) at the end of 1971, and'

(e) by striking out lines 8 to 21 on page 472 and substituting the following:

'(iii) the amount, if any, by which

(A) the aggregate of all amounts each of which is an amount on which the corporation has, before the particular time, elected to pay tax under Part IX, exceeds

(B) the amount in respect of the corporation determined under subclause (i) ~~(B)2.~~, and'

To be added to amendment moved on October 22, 1971

Page 476

That section 194 as set forth in clause 1 of the said Bill be further amended by striking out line 26 on page 476 and substituting the following:

'1971 paid a taxable dividend to a shareholder that'

To be substituted for amendment moved on October 29, 1971  
Clause 65 (Pages 698 and 699)

That clause 65 of the said Bill be amended

(a) by adding, immediately after subclause (1) on page 698, the following subclause:

'Idem

(1.1) Where, at any particular time after October 13, 1971 and before 1972, a taxpayer to whom Part XI of the amended Act applies has acquired a foreign property that was a share of the capital stock of a corporation that would be an investment corporation if subparagraph 130(3)(a)(i) of the amended Act were read without reference to the words "that was a public corporation", for the purposes of subsection (1) the share so acquired shall be deemed to be a share described in paragraph (1)(a).'

(b) by striking out line 1 on page 699 and substituting the following:

'person to or under the plan as was'

(c) by striking out line 15 on page 699 and substituting the following:

'any premium paid by the annuitant'

(d) by striking out line 24 on page 699 and substituting the following:

'paid by an employer to a trustee'

(e) by adding, immediately after subclause (2) on page 699, the following subclauses:

'Foreign property acquired by registered retirement savings plan

(3) Where, at any particular time after 1971 and before 1974, a trust governed by a registered retirement savings plan has acquired a foreign property described in paragraph (1)(a) or (b) or a foreign property that would be described in paragraph (1)(c) if the references therein to the "1971 taxation year" of the trust were read as references to the "1972 and 1973 taxation years" of the trust, the property shall, to the extent that the cost to the trust thereof does not exceed the amount, if any, by which the trust's foreign reinvestment limit exceeds the aggregate of the cost to it of all such foreign properties so acquired by it after 1971 and before the particular time, be deemed

(a) for the purposes of Part XI of the amended Act, to have been acquired before June 19, 1971 and not to have been acquired after June 18, 1971, and

(b) notwithstanding paragraph 146(1)(g) of the amended Act, to have been a qualified investment for the purposes of section 146 of that Act.

'Foreign reinvestment limit' defined

(4) In subsection (3), "foreign reinvestment limit" of a trust governed by a registered retirement savings plan means such portion of the aggregate of

(a) the trust's income from property for its 1972 and 1973 taxation years, and

(b) all amounts each of which is such portion of any premium paid by the annuitant under the plan as was deductible under subsection 146(5) of the amended Act in computing the annuitant's income for the 1972 or 1973 taxation years,

as was, under the terms and conditions of the plan as fixed on or before June 18, 1971, required to be invested by the trust in foreign property described in paragraph (1)(a) or (b) or foreign property that would be described in paragraph (1)(c) if the references therein to the "1971 taxation year" of the trust were read as references to the "1971 and 1972 taxation years" of the trust.'

New clause 64.2 (Page 697)

That the said Bill be amended by adding, immediately after clause 64.1, the following clause:

'Parts VII and VIII of amended Act

64.2 For the purposes of Parts VII and VIII of the amended Act,

(a) control of a corporation shall be deemed not to have been acquired by another person at any particular time before 1972 unless at that time that other person had acquired control, within the meaning assigned by subsection 28(3) of the former Act, of the corporation; and

(b) where, at the commencement of 1972, one corporation was

(i) controlled, within the meaning assigned by subsection 192(4) of the amended Act, by another corporation, and

(ii) not controlled, within the meaning assigned by subsection 28(3) of the former Act, by that other corporation,

control of the corporation shall be deemed to have been acquired by that other corporation at that time.'