

Income Tax

28(1); Clause 39(1), (2) and (3); Clause 47; Clause 52(6); Clause 53(2); Clause 54(2), (3), and (5) and that Subclauses (3) and (5) have amendments; Clause 66; Clause 67(2); Clause 73(1); Clause 96 with an amendment; Clause 102 with an amendment; Clause 110; Clause 118(8) and (9); Clause 128(2) and (7) and Clause 133(4).

Further, I would ask that those motions deemed to be moved and seconded by the Minister of State for Finance be printed in today's *Hansard*. There is a list in your possession, Mr. Chairman.

Mr. Hawkes: Mr. Chairman, I do not think it is normal for the particular Minister to move motions of that kind. I think someone else on the Government side should move them.

The Deputy Chairman: There is no problem with that. The motions have already been accepted. The motion now being put is that the amendments be printed in today's *Hansard*. Is that agreed?

Some Hon. Members: Agreed.

The Deputy Chairman: Agreed and so ordered.

[*Editor's Note: Amendments referred to above are as follows:*]

That Subclause 4(8) of Bill C-139 be amended by striking out lines 19 to 22 on page 12 and substituting the following:

"terest in a prescribed debt obligation, an amount determined in prescribed manner shall be deemed to accrue to the taxpayer as interest on the obligation in each taxation year during which he held the interest in the obligation."

That Subclause 4(12) of Bill C-139 be amended by striking out lines 37 and 38 on page 13 and substituting the following:

"(12) Subsection (4) is applicable in respect of amounts that became receivable after December 31, 1982 in respect of the period after that date."

That Subclause 5(1) of Bill C-139 be amended

(a) by striking out lines 22 to 29 on page 14 and substituting the following:

"holder has, under the terms and conditions of a life insurance policy that was not an annuity contract and that was last acquired before December 2, 1982, received the proceeds therefrom in the form of an annuity contract,"

(b) by striking out lines 39 to 43 on page 15 and substituting the following:

"holder has, under the terms and conditions of a life insurance policy that was not an annuity contract and that was last acquired before December 2, 1982, received the pro--"

(c) by striking out lines 19 and 20 on page 18 and substituting the following:

"contract described in paragraph (1)(d) or (3)(e) or a contract to which subsection (1), (3) or (4) or 12(3) applies or would apply in a year if the contract had a third anniversary in the year) last acquired by the taxpayer"

(d) by striking out lines 34 to 49 on page 18 and lines 1 to 40 on page 19 and substituting the following:

Rules where premium paid "(9) Where, at any time after December 1, 1982, a prescribed premium (other than a premium referred to in subsection (8)) has been paid by or on behalf of a taxpayer in respect of an interest in a life insurance policy last acquired on or before that date, and

(a) the policy is not an exempt policy, or

(b) there has been a prescribed increase in any benefit on death under the policy,

this Act applies after that time with respect to his interest in the policy as if

(c) subsections (1), (3) and (4) and 148(4), paragraph 148(2)(b) and clause 148(9)(e.2)(iv)(A) were read without reference to the words "last acquired after December 1, 1982";

(d) subsection (1) were read without reference to paragraph (d) thereof;

(e) subsection (3) were read without reference to paragraph (e) thereof;

(f) subsection 148(6) were not applicable;

(g) subparagraph 148(9)(a)(ix) were read as follows:

"(ix) in the case of an interest in a life insurance policy (other than an annuity contract), the aggregate of all amounts each of which is the net cost of pure insurance in respect of the interest, as determined in prescribed manner, immediately before the end of the calendar year ending in a taxation year commencing after the later of

(A) May 31, 1985, and

(B) the end of the year before the year in which subsection 12.2(9) first applied in respect of the interest, and

before that time,";

(h) subparagraph 149(9)(c)(ix) were read without reference to clause (A) thereof; and

(i) all that portion of subparagraph 148(9)(e.1(iii)) preceding clause (A) thereof were read as follows:

"(iii) that portion of any amount paid, after the later of May 31, 1985 and the time at which subsection 12.2(9) first applied in respect of the interest, under the policy with respect to"

and, for the purposes of this subsection, paragraph 148(10)(d) shall be read without reference to the expression "(other than a conversion into an annuity contract)".

Riders

(10) For the purposes of this Act, any rider added at any time after December 1, 1982 to a life insurance policy (other than an annuity contract) last acquired before December 2, 1982 that provides for additional life insurance (other than an accidental death benefit) shall be deemed to be a separate life insurance policy issued at that time.

Definitions

(11) In this Section, paragraphs"

(e) by striking out lines 2 to 14 on page 20 and substituting the following:

"prescribed by regulation; and

"Third anniversary" (b) "third anniversary" of a life insur--"

That Subclause 12(9) of Bill C-139 be amended

(a) by striking out lines 16 and 17 on page 49 and substituting the following:

"a life insurance policy, that is not an annuity contract, (otherwise than as a consequence of a death) or an annuity contract under which"

(b) by striking out lines 33 to 36 on page 49 and substituting the following:

"(b) an amount determined in prescribed manner."

That Clause 22 of Bill C-139 be amended by adding, immediately after line 29 on page 61, the following Subclause:

"(4.1) Subparagraph 53(2)(a)(i) of the said Act is repealed and the following substituted therefor:

"(i) any amount received by the taxpayer after 1971 and before that time as, on account or in lieu of payment of, or in satisfaction of, a dividend on the share (other than a taxable dividend or a dividend in respect of which the corporation paying the dividend has elected in accordance with subsection 83(2) or (2.1) in respect of the full amount thereof),"

That Subclause 22(11) of Bill C-139 be amended by striking out lines 23 to 36 on page 63 and substituting the following:

"(r) where the property is

(i) a share of a class of the capital stock of a corporation acquired by the taxpayer as a consequence of the death of a person (otherwise than by way of purchase),

(ii) a share of the class referred to in subparagraph (i) acquired by the taxpayer after the death of that person, or

(iii) a share substituted for a share referred to in subparagraph (i) or (ii),

the aggregate of all amounts each of which is a dividend thereon received by the taxpayer (otherwise than pursuant to a transaction described in subsection 84(2)) on or before that time that can reasonably be considered to be as, on account or in lieu of proceeds of a disposition and in respect of which the corporation has made an election under subsection 83(2.1)."

That Subclause 22(13) of Bill C-139 be amended by striking out line 39 on page 63 and substituting the following: