

# Notice of Ways and Means Motion Income Tax Act

## Notice of Ways and Means Motion to Amend the Income Tax Act

That it is expedient to amend the Income Tax Act and to provide among other things:

### **Remote work sites**

(1) That for the 1978 and subsequent taxation years, an individual be entitled to exclude from income the value of board and lodging received in respect of employment at a remote work site at which he could not reasonably be expected to maintain a self-contained domestic establishment.

### **Shareholder loans**

(2) That a loan made by a corporation after March 31, 1977 to an employee to enable him to purchase from a related corporation fully paid shares of its capital stock, not be included in income.

### **Interest on policy loans**

(3) That for the 1978 and subsequent taxation years, the rules relating to the deductibility of interest on policy loans made after March 31, 1977 apply to all policy loans.

### **Additional allowance for scientific research**

(4) That for taxation years ending after 1977 and before 1988, in computing its income from a business carried on in Canada, a corporation be permitted to deduct an extra allowance equal to 50% of the amount by which its qualified current and capital expenditures on scientific research in Canada exceed the average of such expenditures made by it during a base period and that for the purposes of the allowance

(a) the base period in respect of a year be the three immediately preceding taxation years or such lesser number of years as ended after 1976,

(b) the deduction for the 1978 taxation year be calculated by reference to the number of days in the year after 1977, and

(c) rules be provided to determine the amount of the deduction where the corporation is a member of an associated group and to recapture an appropriate part of the allowance when a research property is disposed of.