

*Recommendation*

**Proposals 1, 2 and 3 approved.**

**2.19 CHARITABLE DONATIONS***White Paper Proposal*

Continue *status quo*, but add national amateur athletic associations to eligible list.

*Recommendation*

**Approved. There may well be other worthwhile institutions serving the public which should be added to the list.**

To encourage gifts of works of art, manuscripts, scientific collections and so on, to public institutions, we also recommend an extension of Section 27(1)b of the *Income Tax Act* (which provides for deductions of gifts to Her Majesty in the right of Canada or a province) to include gifts to other Canadian public institutions which normally hold such objects for exhibition, study or research. We also recommend that capital gains tax provisions not apply with respect to such gifts.

**2.20 MEDICAL EXPENSES***White Paper Proposals*

1. Medical expenditures for which taxpayer has been or can be reimbursed not classed as medical expenses. Contributions to other than government plans classed as expenses. Non-recoverable expenses continue deductible over 3% of income.
2. Contributions to public medical care plans placed on same basis as those to public hospital care. Employers' contributions for employee would therefore be a taxable benefit.

*Recommendations*

**Approved.**

**2.21-2.27 ADDITIONS TO TAX BASE***White Paper Proposals*

1. Unemployment insurance benefits.
2. Fellowships, scholarships, bursaries and research grants, with provision for deduction of tuition fees and research expenses.
3. Allowances under Adult Occupational Training Act (except for living away from home).
4. Salaries of visiting teachers from abroad, now exempt for two years.
5. Armed forces on same basis as all others.

*Recommendations*

**The Committee approves these additions to the tax base, but recommends that strike pay, when it is paid out of funds which have not been**