

*Income Tax*

(4) Subparagraphs 125(6)(b)(iii) and (iii.1) of the said Act are repealed and the following substituted therefor:

“(iii) the aggregate of

(A) 4/3 of the amount, if any, by which

(I) The aggregate of all amounts each of which is a dividend (other than the portion thereof referred to in subclause (B)(I)) that was deductible under section 112 or subsection 113(1) from the corporation's income for the year

exceeds

Then it continues:

(II) 4 times the amount of the tax under Part IV that would be payable by the corporation for the year on the assumption that no amount was claimed by the corporation for the year under paragraph 186(1)(c) or (d) (other than the part thereof referred to in subclause (B)(II)), and

(B) 3/2—

I take it that is the draftmen's way of saying one and a half. In any event they said:

(B) 3/2 of the amount, if any, by which

(I) the aggregate of all amounts each of which is the portion of a dividend that was deductible—

I could go on by referring to the full page, but perhaps at eight o'clock I could continue to show how unintelligible the Act is, as put to the House by the Minister of Finance. We must bear in mind that it is small-business who will have to read that Clause and figure out where they now stand in relation to the income tax system of the country. Perhaps I could continue at eight o'clock.

**The Acting Speaker (Mr. Blaker):** I thank the Hon. Member for calling it six o'clock. It being six o'clock, I do now leave the chair until eight o'clock this evening.

At 6 p.m. the House took recess.

#### AFTER RECESS

The House resumed at 8 p.m.

**Mr. Deputy Speaker:** Order, please. The Hon. Member for Hamilton West (Mr. Hudecki).

**Mr. Fisher:** Mr. Speaker, I rise on a point of order. I am not clear on the arrangements that we normally make in order to permit the Hon. Member for York-Peel (Mr. Stevens) to finish his comments.

**Mr. Deputy Speaker:** When the House rose at six o'clock, the Hon. Member for York-Peel (Mr. Stevens) had the floor. He is not present. Is there any other Member prepared to speak?

**Mr. Weatherhead:** Mr. Speaker, I rise on a point of order. The Hon. Member for York-Peel (Mr. Stevens) is at a meeting down the hall. I saw him leave a minute ago and I am sure he is on his way.

**An Hon. Member:** Here he is.

**Mr. Deputy Speaker:** The Hon. Member for York-Peel.

**Some Hon. Members:** Hear, hear!

**Mr. Stevens:** Mr. Speaker, I must apologize for delaying the House. But as you know, we sometimes run into conflicts. Tonight there is a dinner meeting in the Railway Committee Room, which went a little longer than anticipated. In fact, the bells started to ring just as the main course was being brought in. I can only apologize in the sense that I was the unfortunate victim of the conflicts with which we live in the politics of Canada.

As you will recall, Mr. Speaker, I was simply pointing out that in sharp contrast to what the Minister of Finance had indicated as something that would remove uncertainty with respect to our tax laws and would, to use his words, “affect taxpayers and allow them to know precisely where they stand”, that was really stretching the English language when one considers the type of Bill in the form of an amendment to the Income Tax Act that we have before us in Bill C-139.

I was reading in particular only parts of the Clause dealing with small business taxation. I pointed out that surely when you read the wording in that Clause, it is almost incomprehensible, certainly to us in the House of Commons and I would suggest even to the tax lawyers and accountants who are being asked to cope with these sections and passages every day of the week. This matter was brought to my attention soon after this Bill was tabled on December 7 by a number of tax authorities in Toronto and in other localities in Canada. After receiving the Bill and spending four hours reading the Clause, in the case of one of the largest chartered accountant firms in Canada, its experts were still unable to know how to advise their client as to the impact of the Clause.

If we could just follow the Clause to which I was referring starting on page 189, we find sub-paragraph 125(6)(b)(iii), of which I will read the preliminary part. It goes on to sub-paragraph (iii.1) where it states:

where the year in its first taxation year ending after 1982, the amount, if any, of the prescribed addition to the cumulative deduction account of the corporation, and

(iii.2) the aggregate of all amounts each of which is an amount required to be added to the amount of the cumulative deduction account of the corporation at the end of the year under subsection (8.1) or (8.4).

(5) Subparagraphs 125(6)(b)(iv) and (iv.1) of the said Act are repealed and the following substituted therefor:

I quote that just as an example. But this goes on not by the page or by tens of pages, but by hundreds of pages. We have a little less than 300 pages in this Bill that, if passed, will be put before the people of Canada, particularly those who have to pay taxes in this country, who will be asked to please pay up. It is “pay up the taxes” that in effect we say are properly payable under this Bill.

Let us put that into perspective. We are amending here an Income Tax Act that first began in 1917. It is interesting to look at the initial act. I have here a copy of the initial Act passed by this Parliament in 1917, at that time as a temporary war measure. The Act passed in 1917, was ten pages long; including the schedules it amounted to 11 pages. It had only 24 clauses, and that was it. Yet here a simple amendment to that