

*Succession Duty Act*

On section 24—When duties payable.

Mr. HANSON (York-Sunbury): The period of time is the same as for the filing of a statement. In other words, the duty is to be paid at the same time as the statement is filed; is that the procedure?

Mr. ILSLEY: That is right.

Mr. HANSON (York-Sunbury): I would suggest that it should be payable within thirty days after the assessment. That would be fair. Then a person has six months to get ready to file his assessment. The assessment should be made with reasonable promptness; within thirty days after that the bill would be payable, and if it is not paid within thirty days, interest accrues. That would be a decent thing for the taxpayer, especially if he has to liquidate. The minister should give consideration to that suggestion. It is a little change, a little concession to the taxpayer, and not much loss to the government.

Mr. ROSS (Calgary East): He gets six months without interest.

Mr. HANSON (York-Sunbury): It takes six months to get liquidated.

Mr. ILSLEY: In most provinces, if the duty is not paid within six months I think it bears interest from the date of decease.

Mr. HANSON (York-Sunbury): Well, thanks for that much.

Mr. ILSLEY: If we made it payable after assessment, there might be cases in which delay in assessment would be inevitable for a year or two.

Mr. HANSON (York-Sunbury): If the assessment cannot be arrived at, the debt is not adjusted. It is not a liquidated amount. Why should it begin to bear interest? If I have an open account with someone, in common law it does not bear interest unless and until there has been a settlement and account stated. Then, in some jurisdictions it begins to bear interest. This is a departure from the ordinary common-law principle. It is a taxation measure and is all in favour of the crown. I suggest that there would be no harm to the treasury if a little more consideration were given to the taxpayer. I have not heard any hon. member opposite speaking in favour of the taxpayer, except the hon. member for Parry Sound, and now he has deserted.

Mr. ILSLEY: My complaint about the opposition is that I never hear anyone speaking for the taxpayer.

[Mr. R. B. Hanson.]

Mr. HANSON (York-Sunbury): Then indeed I have failed in my function.

Mr. ILSLEY: I mean the taxpayers generally.

Mr. HANSON (York-Sunbury): I do not apprehend.

Mr. ILSLEY: I refer to the crown. We are talking as if the crown here were some enemy of mankind. The crown is the taxpayers, the people of Canada.

Mr. HANSON (York-Sunbury): That is the theory.

Mr. McCUAIG: The practice in Ontario usually is that the executor makes a deposit with the succession duty department, and I presume the same practice will be carried out with respect to this legislation. If the assessment is not completed until after six months, no interest would be chargeable because the department would have the deposit of the executor.

Mr. MACDONALD (Brantford City): In fact, the province of Ontario go further; they allow interest on the money deposited up to the time the duty is payable.

Mr. CASSELMAN: In many instances it will be found that an estate is not in possession of liquid funds with which to pay the money; it may have no bonds that it can dispose of. One difficulty under this section is that if the taxing authority delays the settlement for a period of six months and if the money has not been paid in but a bond given to secure it, then the taxpayer is forced to pay interest because of the action of the government. Therefore, if there could be in this section something to the effect, "within six months or within a period of one or two months after the settlement has been arrived at by the government," I do not think there would be any hardship one way or the other.

Mr. ILSLEY: It would never do. Take income tax. I keep thinking about that because I have had experience with it. If we had a provision that interest did not run until the tax was assessed by the department, why should anyone pay any income tax by April 30? They have to make a stab at it themselves, estimate their tax and pay it; otherwise we could not get money in, could not carry on the services of the country. We count on a very large sum of money coming in around April 30.

Mr. HANSON (York-Sunbury): The two cases are not quite analogous.