

"A man who has farmed all of his life does not become disentitled to class (1) classification simply because he has come into an inheritance. On the other hand, a man who changes occupational direction and commits his energies and capital to farming as a main expectation of income is not disentitled to deduct the full impact of start-up costs."

In the decision, in dismissing the appeal, it was held that the appellant was involved in only one business venture of several, with nothing distinguishing in the way of "a chief source of income."

While the criteria outlined in the decision are relied upon by Revenue Canada, it is unfortunate that the section regarding start-up costs is often ignored and this comes about simply because the assessors have only the taxpayers completed form to examine and there is nothing on it to indicate the plans or nature of the operation on which to base a decision on the criteria in the Moldowan decision. It often means that the only text applied is whether the taxpayer has non-farm income and the taxpayer is left with the necessity appealing through the Courts.

Table 6, "Analysis of Taxfilers", is an examination of the information contained in the Revenue Canada Publication, "Taxation Statistics", 1983 Edition based on 1981 tax returns (Catalogue No. RV44-1983). The Table shows the number of taxfilers who report business income. For example, 68,310 persons in 1981 who were classed by Revenue Canada as "employees of business reported losses of