

Income Tax Act

Mr. Mahoney: They come from a very flexible and accommodating government.

The Chairman: Is it agreed that the amendments which have been referred to by the parliamentary secretary be moved and become part of the *Hansard* record, it being understood by the Chair, of course,—and there is no question about this—that any question of their acceptability from the procedural standpoint is always open for hon. members.

Some hon. Members: Agreed.

Mr. Chairman: Moved by Mr. O'Connell that the amendments which have been referred to by hon. members in this discussion, subject always to the reservations I have mentioned be received and printed in *Hansard*.

Mr. O'Connell: I move:

To be added to amendment
moved on October 22, 1971

Page 17

That section 8 as set forth in clause 1 of the said Bill be further amended by striking out lines 1 to 8 on page 17 and substituting the following:

'Expenses of certain railway company employees employed away from ordinary residence or home terminal

(e) amounts disbursed by the taxpayer in the year for meals and lodging while employed by a railway company

(i) away from his ordinary place of residence as a relieving telegrapher or station agent or on maintenance and repair work, or

(ii) away from the municipality and the metropolitan area, if there is one, where his home terminal was located, and at a location from which, by reason of distance from the place where he maintained a self-contained domestic establishment in which he resided and actually supported a spouse or a person dependent upon him for support and connected with him by blood relationship, marriage or adoption, he could not reasonably be expected to return daily to that place,

to the extent that he has not been reimbursed and is not entitled to be reimbursed in respect thereof;

To be added to amendment
moved on October 22, 1971

Page 197

That section 85 as set forth in clause 1 of the said Bill be further amended by striking out lines 29 and 30 on page 197 and substituting the following:

'Transfer of property to corporation from partnership

(2) Where, after 1971,

(a) any partnership property that was a capital property or eligible capital property of a partnership

To be added to amendment
moved on October 22, 1971

Page 210

That section 87 as set forth in clause 1 of the said Bill be further amended by striking out lines 9 and 10 on page 210 and substituting the following:

'(i) to have been claimed under that subparagraph in computing the new corpora-'

Page 431

That section 159 as set forth in clause 1 of the said Bill be amended by adding, immediately after subsection (3) on page 431, the following subsections:

[Mr. Bell.]

'Election where ss. 70(2) or 70(5) applicable

Idem

Form and manner of election and interest

(4) Where subsection 70(2) or 70(5) is applicable in respect of a taxpayer who has died and the taxpayer's legal representative so elects, notwithstanding any provision of this Part or of the *Income Tax Application Rules, 1971* respecting the time within which payment shall be made of the tax payable under this Part by the taxpayer for the taxation year in which he died, all or any portion of such part of that tax as is equal to the amount, if any, by which that tax exceeds the amount that that tax would be, if this Act were read without reference to subsections 70(2) and 70(5), may be paid in such number (not exceeding 6) of equal consecutive annual instalments as is specified by the legal representative in the election, the first instalment of which shall be paid on or before the day on or before which payment of that tax would, but for the election, have been required to be made and each subsequent instalment of which shall be paid on or before the next following anniversary of that day.

(5) For the purposes of subsection (4), the "tax payable under this Part" by a taxpayer for the taxation year in which he died includes any tax payable under this Part by virtue of an election in respect of the taxpayer's death made by the taxpayer's legal representative under subsection 70(2) or under the provisions of that subsection as they are required to be read by virtue of the *Income Tax Application Rules, 1971*.

(6) Every election made by the legal representative of a taxpayer under subsection (4) shall be made by him in prescribed form and in prescribed manner, and on condition of payment, at the time of payment of any amount the payment of which is deferred by the election, of interest on that amount, at the rate per annum prescribed for the purposes of this subsection at the time of the making of the election, from the day on or before which payment of that amount would, but for the election, have been required to be made to the day of payment thereof.'

To be substituted for amendment moved on October 22, 1971
Pages 468, 470, 471 and 472

That section 192 as set forth in clause 1 of the said Bill be amended

(a) by striking out lines 6 to 11 on page 468 and substituting the following:

'(a) the amount, if any, by which

(i) the amount of its earnings for the control period that was available for payment of dividends at the end of its 1971 taxation year (within the meaning assigned by subsection 28(5) of this Act as it read in its application to the 1971 taxation year),

exceeds

(ii) all amounts on which the corporation has, before the particular time, elected to pay tax under Part IX.'

(b) by striking out line 15 on page 468 and substituting the following:

'corporation's refundable dividend tax on hand (with-'

(c) by adding, immediately after subsection (10) on page 470, the following subsection:

'Life insurance corporation's control period earnings

(10.1) Notwithstanding anything contained in subsection (9), the amount of a life insurance corporation's earnings for a control period that was available for payment of dividends at a particular time is the aggregate of the amount thereof determined under subsection (9) and 2 times the aggregate of all income or profits taxes paid or payable by the corporation, for taxation years ending after 1971 that are in the control period, to a government of a country other than Canada or to a state, province or other political subdivision of a country other than Canada.'