

## **Chapter 9: The Public Sector**

65. That the Department of Finance proceed immediately to determine rebate rates for the MUSH sectors in close consultation with the affected institutions and their respective associations.
66. That, as proposed in the Technical Paper, there should be only one rate of rebate of GST paid on inputs for each of the four major areas in the MUSH sector.
67. That the Departments of Finance and of National Revenue work with MUSH institutions to develop a streamlined accounting system that will simplify their accounting for the net amounts of GST payable on their taxable supplies.
68. That, as proposed in the Technical Paper, rebates of GST paid on purchases be paid directly to MUSH institutions rather than being paid through provincial governments.

## **Chapter 11: Financial Services**

69. That the Department of Finance give consideration to the appropriate means by which input tax credits on business inputs supplied to registered vendors pursuant to a property and casualty insurance policy could be allowed.
70. That the definition of investment quality precious metal be amended to include gold and silver coins with a purity level of at least 90%.
71. That the 10% rule should be rescinded and a revenue test should apply to persons whose annual revenue in the immediately preceding taxation year, in the form of interest and dividends received from unrelated persons and required to be included in income from a business for Canadian income tax purposes, exceeded \$10 million, or a pro-rata amount for a short taxation year.
72. That, unless substantially all (i.e., 90%) of a taxable supply purchased by a financial institution is used by it in the course of making a taxable supply, the input tax credit entitlement of such financial institution be limited to the portion of the purchased taxable supply that can reasonably be considered to have been used by it in making zero-rated supplies described in Part IX of Schedule II.
73. That the Minister of National Revenue be permitted to grant group relief to particular named corporations with respect to specified types of transactions with financial institutions (including data processing, management, accounting and administrative services).
74. That, if group relief is provided for transactions between financial institutions and related corporations, comparable relief should be extended to transactions