

Income Tax Act

some sense and can be understood. I am the first to admit that in the time that has elapsed since we have had the bill, it has not been possible to get all the homework done. Therefore, my questions to the minister will be of an exploratory nature. I trust that he is thoroughly versed in the provisions of the act and the amendments. It would have been much more convenient to have had a private briefing session around the committee table. It would have been possible to examine these proposals. I intend to proceed on this basis and I hope that the minister will have the answers. I would like to see this bill cleaned up as quickly as possible.

I wish to draw to the minister's attention a letter which I received from a young man attending university. He filed his income tax return many weeks ago. There is owing to him approximately \$240. The last instalment on his university dues is \$134 and he only has \$6 in the bank. His parents filed their income tax return some weeks after he did. They received the refund to which they are entitled. However, because he availed himself of a provision in the Income Tax Act as outlined in the budget last May and which the government delayed bringing forward until last week, he has not been able to get his money. This student would like to know whether the Minister of Finance is prepared to intercede with the university authorities on his behalf. He has not been in a position to pay his dues because of the \$240 that was extracted from him in excess of what should have been. He does not yet have his refund and he is not in a position to pay. I am sure that this situation is repeated in hundreds and thousands of cases.

• (1550)

I want to re-emphasize the major complaint I have made about the delay in implementing these provisions of the act. All this could have been done last December. There is no excuse. The legislation was ready. The motions had been presented to the House, and Bill C-222 had actually been presented in June of last year. As to the procedure to be followed today, I am not yet sure whether it will be preferable for our discussion to go forward clause by clause or not. I am disposed to think so at the present time, though later, possibly, on re-examination, it might appear there would be a better grouping allowing us to discuss several items en bloc. Here again, there was not much time available in which to determine what the best course would be. All of us, I think, would have appreciated it had there been more time available between the presentation of the bill and its detailed study so that those who are recognized to be tax authorities and commentators could have made their professional and impartial views known in connection with the effect of these provisions. Views of such experts as CCH and DeBoo's would have been an invaluable service to the committee had they been given an opportunity to make their comments.

I recall that in late September and in early October, 1971, when we were discussing the subject matter of the first clause of this bill which involves the determination of what is income, we were considering the definition of a new aspect of income, that is the benefit conferred on taxpayers who have automobiles placed at their disposal. In cases where a company owns vehicles and a car is made available to the president or any of the company's

[Mr. Lambert (Edmonton West).]

officers or employees to use for their own purposes, the question arises as to the value of that benefit to the individual taxpayer. This provision is causing concern to a great many people who have hitherto been able to incorporate into what one might call the total package of their jobs, the advantage of the use of such a vehicle. It was a new provision and we have seen that difficulties arise in its implementation. I notice the minister has made the amendment retroactive to January 1, 1972. It is a question of what is a reasonable standby charge on a vehicle, what is the valuation under lease. The effect of the amendment here is to adjust for automobile insurance as against the value of the vehicle on the basis of a lease.

Clause 1 subsection (2) deals with the assessment made on an automobile salesman who is allotted a demonstrator for his own use. It has brought forth a great number of anguished cries, since a fair assessment is very difficult to determine. I notice that the minister has reduced the basis of the charge from one per cent to three-quarters of one per cent or the net average cost of the vehicles which have flowed through the inventory of a distributor. Mind you, Mr. Chairman, I would think that a salesman in a large agency who concentrated on compact models might feel unhappy in finding attributed to him a charge based upon consideration of cars of the Cadillac or Lincoln class. Perhaps experience will show what variation ought to be provided in such cases. In any event, in many automobile agencies the man who sells the Vegas does not sell Cadillacs and he might well have cause for complaint if he drives a Vega all the time and is charged Cadillac rates in whole or in part.

My general remarks have to do with the handling of the bill at the present time. It will be interesting to see how many hon. members take part in this discussion. I see that some members who used to sit on the Finance Committee have now assumed different responsibilities and it occurs to me they are likely to prove discreetly silent. I wonder whether some of those who, in the past, thought the bill was so good are now considering whether they ought to come forward and suggest improvements. Income tax is so horribly complicated that we are bound to make an attempt to put some of these requirements into the best possible layman's language. I shall have further observations to make in the course of our discussion during which I shall point out some of the horrible complexities into which we have gotten ourselves. They almost defy description. I have in mind particularly the effect of the interaction of three or four of the clauses in the bill before us.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I should like to reply to one of the questions which was raised by the hon. member for Edmonton West during the debate on second reading. He wanted to see some comparison of the bill with the ways and means motion. I would be glad to follow his wishes, because I believe it would be useful to do so in the context of our discussion of the bill in committee.

The documents which were tabled in the House on March 29, 1973 were notices of the ways and means motion amending the Income Tax Act and the income tax application rules by providing, among other things, certain specific measures. The phrase "among other things"