

THE HOUSE OF COMMONS OF CANADA.

BILL 19.

An Act to amend The Canadian Vessel Construction Assistance Act.

HER Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

PART I.

1. Section 7 of *The Canadian Vessel Construction Assistance Act*, chapter 11 of the statutes of 1949 (Second Session), is amended by adding thereto the following subsections:

Recapture where survey completed.

“(2) In any case where

(a) a taxpayer has under subsection one made a deduction in respect of a vessel as a reserve for expenses to be incurred by reason of a quadrennial or other special survey of that vessel, and

(b) the quadrennial or other special survey in respect of which the deduction was made has been completed to the extent that the vessel is permitted to proceed on a voyage,

the aggregate amount of the deductions in respect of the vessel that have not previously been included in computing the taxpayer's income under Part I of *The Income Tax Act*, shall be included in computing his income under Part I of *The Income Tax Act* for the taxation year in which the survey was so completed.

Recapture where survey not begun or completed.

(3) In any case where

(a) a taxpayer has under subsection one made a deduction in respect of a vessel as a reserve for expenses to be incurred by reason of a quadrennial or other special survey of that vessel, and