

The Budget—Resolutions

(ii) in the period between the end of the year in which the loss was sustained and the end of the taxation year control of the corporation has changed hands, and

(b) a business loss incurred by a corporation in a taxation year may not be deducted in computing the income of the corporation for that taxation year if the business in which the loss was sustained by the corporation was wound up or discontinued, and after such winding up or discontinuance control of the corporation passed to a person or persons who did not control the corporation in the year at any time when the business in which the loss was sustained was carried on;

but this paragraph is not applicable where the change of the control of the corporation occurred prior to June 14, 1963.

19. That for the 1963 and subsequent taxation years section 18 of the act, which provides rules in the case of any lease option agreement, hire purchase agreement or other contract or arrangement for the leasing or hiring of property, be repealed, and appropriate transitional provisions be enacted in respect of any such contract or arrangement.

20. That for the 1963 and subsequent taxation years the benefits received by an employee from his employer's contribution to a group life insurance plan that are at present excluded from income be excluded only if such contribution is in respect of group term life insurance.

21. That, with respect to any annuity contract entered into after June 13, 1963, that part of the proceeds of the contract that consists of interest accumulated prior to the date on which the annuity commences be included in computing income of the recipient unless such proceeds are received as a life annuity or as a refund of premiums upon the death of the holder of the annuity contract.

22. That for the 1962 and subsequent taxation years the manner of taxing a bankrupt corporation, a bankrupt individual and a trustee in bankruptcy be revised and in particular

(a) that the trustee be deemed to be the agent of the bankrupt person for all purposes of the act;

(b) that section 63 of the act not apply in the case of any income of the trustee from dealing in the property of the bankrupt person or from carrying on the business of the bankrupt person;

(c) that the income of the bankrupt person be computed as if upon the occurrence of the bankruptcy the property of the bankrupt person did not pass to and vest in the trustee; and

(d) that the trustee be liable for payment of any tax payable by the bankrupt person to the extent of the property of the bankrupt person in the possession of the trustee.

EXCISE TAX ACT

Resolved that it is expedient to introduce a measure to amend the Excise Tax Act and to provide among other things:

1. That the present exemption from sales tax for certain building materials be withdrawn by repealing the exemption for all goods mentioned under the heading "Building Materials" in Schedule III of the said act and by repealing the exemptions for

(a) "Fire brick, plastic refractories, high temperature cement, fire clay and other refractory materials and materials to be used or consumed exclusively in the manufacture of such fire brick or refractory materials;"

(b) "Creosote oil and other wood preservatives when for use exclusively in the treatment of timber, poles or lumber;"

(c) "Seventy five per cent of the sale price if manufactured in Canada, or seventy five per cent of the duty-paid value if imported, of trailers for use as homes;"

(d) "Railway ties;"

(e) "Goods for use as part of sewerage and drainage systems, and articles and materials to be used exclusively in the manufacture thereof;"

2. That any enactment based on paragraph 1 of this resolution provide that

(a) goods for use as part of sewerage and drainage systems be exempt from sales tax when sold to or imported by a municipality for its own use and not for resale,

(b) any transfer of a sewerage or drainage system to a municipality by any person within two years after the completion thereof, pursuant to a bylaw of or agreement with that municipality under which that person is required to instal such system and transfer it without charge to that municipality after the completion thereof be deemed, for the purpose of section 46 of the said act, to be a sale to the municipality for its own use and not for resale of goods for use as part of a sewerage or drainage system,

and that any agency operating a sewerage or drainage system for or on behalf of a municipality may be declared by the minister to be a municipality for the purposes of this paragraph.

3. That any enactment based on paragraph 1 of this resolution provide that drain tile for agricultural purposes and materials to be used exclusively in the manufacture thereof be exempt from sales tax.