

Excise Tax Act

Mr. Rodriguez: Did the minister consider the fact that there are \$7 billion of deferred corporate taxes outstanding? Did he consider applying a 10 per cent interest charge on this deferred tax, which would raise \$700 million? If he did, why did he reject it?

Mr. Turner (Ottawa-Carleton): At this stage we had to encourage the continuance of capital investment in this country to provide industrial capacity and job potential for the next few years.

Mr. Rodriguez: Considering the fact that, in effect, this is an interest free loan which all the people in Canada who do not own businesses are lending to the corporations, would it not have been very fair to apply even a 5 per cent interest charge? On that amount this would have brought in considerable revenue to offset the deficit.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I disagree with that interpretation. This money is only deferred from tax, because it is eventually paid, on condition that the businessmen or corporations involved increase capital plant, which increases industrial capacity in the country and the job producing potential.

Mr. Rodriguez: Most reports indicate that that tax is never paid anyway. Let me ask the minister another question. Can he tell us why he exempted doctors and lawyers? Why would he give a rebate to doctors and lawyers? If it is because they are using their cars in pursuit of their work, why not exempt other working people who use their cars to get to work, such as miners in my area?

Mr. Turner (Ottawa-Carleton): The hon. member is incorrect. Doctors and lawyers are not exempt. They will pay the ten cents tax on their gasoline when going to their places of work, just as any other citizen will. If a doctor is out on a call, however, this gasoline is being used for the purpose of earning income and will be deductible. But the doctor would have to pay the ten cents per gallon on gas used when going from his residence to his place of work, just as any other citizen.

Mr. Rodriguez: In view of the fact that when doctors are called out they are going to a job for which they are compensated—they do not do it for nothing—why does the minister not treat miners in the same way when they are called out to go to work?

Mr. Benjamin: Mr. Chairman, I should like to pursue this with the minister a little further. There are a couple of other alternatives. The minister said he decided against using the income tax as an alternative, particularly on an individual basis, because some people do not drive cars. Would it not be easier if the taxpayer indicated on his income tax form whether or not he drove a car? This is a lot easier to check on than policing applications for rebates. Would it not have been simpler to exempt individual taxpayers whose income was below a certain amount? This would include most if not all of the people who do not drive a car but do pay income tax.

● (1550)

Another option is open to the minister. On the \$15.4 billion corporation taxable income, last year the effective

[Mr. Turner (Ottawa-Carleton).]

tax rate was 32.4 per cent. Would it not have been easier to assess a 5 per cent increase in the effective tax rate in order to collect part of the money for the oil compensation fund and collect the other half from income tax on high wage earners? Another alternative would be a 10 per cent increase in the effective tax rate on taxable corporate income, which would have brought in the \$525 million. Surely individual income tax and corporation taxes, or a combination of the two, would have done the job rather than going through all this nonsense of exempting occupations and classifications and then policing the rebates?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, there are about 9½ million personal taxpayers as against about one million people who are eligible for rebates. The hon. gentleman is wrong in his estimation of the administrative difficulties.

Mr. Mazankowski: Mr. Chairman, may I ask the minister a question in regard to the tax as it applies to commercial trucking concerns. Has the minister had any discussions with the Canadian Trucking Association with respect to the administration of the tax? Also have the minister and his officials explored ways and means of minimizing the administrative procedures in the collection of the tax, such as an exemption certificate or some consideration for tank wagon lots at the wholesale level?

Mr. Turner (Ottawa-Carleton): Yes, Mr. Chairman. We received representations from the Canadian Trucking Association and I am exploring ways to satisfy those representations.

Mr. Mazankowski: If the legislation as it stands is not flexible enough to provide for exemption certificates or minimizing administrative procedures, will the minister be introducing an appropriate amendment to allow that to take place?

Mr. Turner (Ottawa-Carleton): The hon. gentleman has rephrased the question put to me earlier in a more flexible way. We are looking at it closely.

Mr. Towers: Mr. Chairman, the minister mentioned that a doctor could get a rebate on gas used for going out on a call. How is this going to be regulated? Is it just going to be by the word of the doctor, or will a schedule be used or a table referred to?

Mr. Turner (Ottawa-Carleton): It will be done in the same way as it is under the Income Tax Act. A doctor is required to declare, and prove if necessary, what percentage of his mileage is used on house calls, what percentage for personal use, and what percentage for going to his office. Personal use will not be subject to rebate nor will travelling to his office. Only house calls are eligible.

Mr. Rodriguez: Mr. Chairman, it is rather interesting that the minister has said that doctors who are called out beyond the distance from their homes to their offices would qualify for the rebate. What about plumbers and electricians who go out on emergency calls beyond the distance of their work from their homes? Will they also be able to collect a rebate.