

Adjournment Debate

importance to farmers and to the Hon. Member from Swift Current-Maple Creek (Mr. Wilson).

My hon. friend asks the Department of National Revenue to accept that the purchase of replacement property in itself constitutes an election to defer capital gains. I must point out, however, Mr. Speaker, that the Income Tax Act requires taxpayers to elect for the deferral of capital gains at the time of filing their annual income tax returns. The Act provides a similar deferral of the recapture of capital cost allowance where depreciable properties are disposed.

I am very pleased to report that Revenue Canada, Taxation has, as a long-standing practice, granted administrative relief to certain taxpayers who have not made a timely election but where an examination of the facts shows that relief is fair and equitable under the circumstances. I would also like to point out, Mr. Speaker, that some of these circumstances are outlined in one of the Department's published Interpretation Bulletins, IT-259R. Examples of administrative relief being granted to taxpayers who have not filed the election as

required by the Income Tax Act are the following: There is a documentation on a tax practitioner's files showing a calculation for the relevant taxation year confirming that the intent of an election was demonstrated; the taxpayers claim that they prepared their own income tax returns on the basis of insufficient information supplied by the Department; the taxpayers have purchased the farm land in the subsequent year and continued farming after acquiring the replacement property and would have qualified under the Act; the taxpayers are aware that the disposition would have an impact on the adjusted cost base of their land and they may have been misled that when they purchased a property in the subsequent year they had elected and complied with the provisions of the Act—

[*Translation*]

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 2(1).

The House adjourned at 6.29 p.m.
