

cent for the year. To a large extent, the government has left the proposed economic expansion to look after job creation in the country.

Selected tax changes include:

- The C\$100,000 capital gains exemption will be eliminated for dispositions after the budget date. Individuals will be allowed to make an election in filing their 1994 tax returns to trigger all or a portion of capital gains accrued as of this date to use up their available exemption.

- A permanent Home Buyers' Plan will replace the temporary program set up two years ago to stimulate the housing industry. First-time home buyers may withdraw up to C\$20,000 tax free from their RRSP to purchase a qualifying home.

- Proposed changes to the scientific research investment tax credit program will effectively reduce the entitlement to some types of investment tax credits previously available.

- The foreign affiliate rules have been modified to limit the deferral of Canadian tax on offshore property income through the use of foreign subsidiaries or trusts.

The Minister also announced that several areas are under review, such as the tax treatment of retirement savings, the taxation of family trusts, reforms to the GST system, and streamlining of the Customs tariff regime. The Minister considered, but rejected, some other proposed changes, including the introduction of wealth and inheritance taxes, the introduction of a minimum corporate tax, proposals for a flat tax system, and the taxation of lottery earnings. ♦


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(Editor's note: In the January Legal & Policies Committee column titled, Far-reaching Changes To The Canadian Immigration Act, the column claimed that a score of zero in the language ability category automatically disqualified an applicant from selection to Canada. This is incorrect. A score of zero will not automatically disqualify an applicant from selection to Canada as an independent immigrant or as an entrepreneur.)

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