

- (vii) the aggregate of the amounts that would have been deductible under the said paragraphs (a), (b) and (c) of section 7 exceeds,
  - (viii) the aggregate of \$20,000 and the sum of the amounts that are deductible under clauses (i) to (vi), inclusive, above,
- (b) there shall be included in computing the aggregate net value of property passing on the death of such person
- (i) the amount of gift tax paid by the person in respect of property disposed of by him by way of gift after October 22, 1968, which property is included in computing the aggregate net value of property passing on his death,
  - (ii) an amount equal to the value at the date of death of such person of property held at such time by a trustee subject to a trust described in clause (ii) of subparagraph (a) of this paragraph, under which only such person had any beneficial interest during that person's lifetime,
  - (iii) an amount equal to the value at the date of death of such person of property held at such time by a trustee subject to a trust if, at the time property was settled in the trust, the settlement was exempt from gift tax by virtue of a provision of the Income Tax Act based upon clause (i) of subparagraph (a) of paragraph 1 of this motion, and
  - (iv) an amount equal to the lesser of
    - (A) the value at the time of death of such person of property held at such time by a trustee subject to a trust described in clause (iii) of subparagraph (a) of this paragraph, under which such person was the spouse referred to in that clause, or
    - (B) the amount that was, by virtue of that clause, deducted in computing the aggregate taxable value of property passing on the death of the former spouse of that person,
- (c) subsection (1) of section 8 of the said Act be repealed and that the tax payable upon the aggregate taxable value of the property passing on the death of a person shall be an amount equal to the excess of
- (i) the amount determined by applying the rate schedule set out below to his estate sum  
over
  - (ii) the amount determined by applying the rate schedule set out below to his gift sum  
and for the purposes of this motion a deceased person's estate sum shall be the aggregate of
  - (iii) the aggregate taxable value of property passing on his death,
  - (iv) the amount of his cumulative gift sum for the year in which he died, less the amount included in the computation thereof in respect of property included in the aggregate net value of property passing on his death, and
  - (v) the amount of gift tax that would be imposed in respect of a cumulative gift sum equal in amount to the net amount referred to in clause (iv),  
and a deceased person's gift sum shall be the aggregate of \$20,000 plus the amounts referred to in clause (iv) and (v), and the rate