

**Child Tax Credit**

(19) That

- (a) for the 1983 taxation year, the maximum amount of the child tax credit be \$343 in respect of each eligible child and thereafter be indexed,
- (b) for the 1983 and subsequent taxation years, the concept of family income for the purposes of the child tax credit be extended to include the income of unmarried parents who are living together at the end of the year and the income for the year of a parent and any other person claiming a deduction under section 109 of the Act in respect of an eligible child of the parent,
- (c) for the 1983 and subsequent taxation years, the family income threshold beyond which the child tax credit is reduced be limited to \$26,330, and
- (d) for the 1983 and subsequent taxation years, an individual and any person with whom he resides at the end of the year and whose income is added to the individual's income in computing family income for the purposes of the child tax credit for the year be jointly and severally liable to reimburse any overpayment of the individual's child tax credit for the year and to pay any penalty or interest attributable thereto.

**Federal Tax Credit**

(20) That the federal tax credit be modified

- (a) for the 1984 and subsequent taxation years so that the credit is reduced by 10% of the amount by which an individual's tax otherwise payable for the year under Part I of the Act exceeds \$6,000, and
- (b) to reduce the maximum credit from \$200 to \$100 for the 1985 taxation year and to \$50 for the 1986 and subsequent taxation years.

**Foreign Tax Credit**

(21) That for the 1983 and subsequent taxation years, the denominator in the formula for determining an individual's foreign tax credit limitation be increased by any forward averaging amount included in his taxable income.

**Investment Tax Credit**

(22) That

- (a) the investment tax credit be extended at a rate of 7% to prescribed new heavy construction equipment acquired after April 19, 1983 for use in Canada in a business.
- (b) investment tax credits earned by a taxpayer in respect of qualifying investments made after April 19, 1983 be fully deductible in computing his tax payable under Part I of the Act, and
- (c) any unclaimed investment tax credits earned by a taxpayer after April 19, 1983 be allowed to be carried forward for 7 taxation years and be carried back, in the case of the investment tax credits earned in the 1983 taxation year for 2 taxation years and in any other case for 3 taxation years.

**Refund of Investment Tax Credit**

(23) That to the extent that an investment tax credit is earned in a taxation year by a taxpayer (other than an exempt person) in respect of a qualifying investment made in the period commencing April 20, 1983 and ending April 30, 1986 and is not claimed against his tax otherwise payable for the year or a preceding taxation year, the taxpayer be entitled to a refundable tax credit

- (a) equal to 40% thereof in the case of an individual (other than certain trusts) and a corporation that qualifies or would, if it had sufficient income for the year from carrying on an active or a non-qualifying business in Canada, qualify for a small business deduction under section 125 of the Act, and
- (b) equal to 20% thereof in any other case.