

There are also no limits in the proposed act as to the type of taxation measures to which the Bill may be applied. Section 11 of the proposed act is unclear and could be interpreted to mean that those who are acting as agents withholding tax funds would not have to return the money to those who paid the taxes should the tax not come into effect. Also the regulation making power under the proposed statute is very broad.

The section of the proposed act which drew the most criticism was the time frame allowed to the government to obtain passage of a taxation measure. Most felt that 180 sitting days which in reality amounts to a full parliamentary year was excessive, especially because the government would be in the position of collecting the tax during this period.

Recommendations

- 6.1 We recommend that taxes should not be collected until the implementing legislation has been enacted.**
- 6.2 We recommend that if the proposed Provisional Implementation of Taxation Measures Act is to be adopted its scope be narrowed so that it would only apply to those taxation measures which if not immediately implemented would result in great loss of revenue for the government. Such matters as taxes on commodities and certain corporation taxes would fall within this category.**
- 6.3 We recommend that the Provisional Implementation of Taxation Measures Act should only be available for use with respect to taxation matters included in the budget and the applicable tax bill must be given first reading with the budget.**
- 6.4 We recommend that legislation which the government wishes to be subject to the Provisional Implementation of Taxation Measures Act be deemed to have the force of law as if enacted by statute until the end of ten days from the date on which it received first reading unless before that date Parliament is prorogued or dissolved.**
- 6.5 We recommend that the House of Commons vote on whether the bill is to be given provisional effect by the end of the tenth day following the date on which it received first reading. This vote should occur without debate or amendment.**
- 6.6 We recommend that if the vote on the provisional application of the bill is carried then the bill shall have provisional effect for 120 calendar days from the date on which it received first reading. If the vote is not carried the bill shall be considered to be void *ab initio*.**
- 6.7 We recommend in order to ensure that the House of Commons and its committees have sufficient time to study the bill that the motion for second reading should be called within 30 calendar days after the tax bill has received first reading in the House of Commons. After second reading it should be referred to a legislative committee.**
- 6.8 We recommend that should the bill not receive Royal Assent within 120 calendar days from the date of first reading it should be deemed to be void *ab initio*.**