

Ways and Means

(B) the amount by which the value of the property included in computing such aggregate net value that passes to the child exceeds \$10,000,

(vi) for each child of that person, other than a child described in clause (v), an additional amount equal to the lesser of

(A) the amount remaining, if any, when the excess of the average income of the child for the three calendar years preceding the year of death over \$5,000 is deducted from the product obtained when \$1,000 is multiplied by the number of years in the period commencing with the date of death and ending with the date on which the child will, if ever, become 26 years of age, or

(B) the amount by which the value of the property included in computing such aggregate net value that passes to the child exceeds \$10,000, but that where such death occurred before August 1, 1969, there may also be deducted the amount, if any, by which

(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 schedule to be applied to a deceased person's estate sum or gift sum, as the case may be, shall be

(i) nil where the sum does not exceed \$20,000,

(vii) 15% of the amount by which the sum exceeds \$20,000 if the sum exceeds \$20,000 and does not exceed \$40,000,

(viii) \$3,000 plus 18% of the amount by which the sum exceeds \$40,000 if the sum exceeds \$40,000 and does not exceed \$60,000,

(ix) \$6,600 plus 21% of the amount by which the sum exceeds \$60,000 if the sum exceeds \$60,000 and does not exceed \$80,000,

(x) \$10,800 plus 24% of the amount by which the sum exceeds \$80,000 if the sum exceeds \$80,000 and does not exceed \$100,000,

(xi) \$15,600 plus 27% of the amount by which the sum exceeds \$100,000 if the sum exceeds \$100,000 and does not exceed \$130,000,

(xii) \$23,700 plus 30% of the amount by which the sum exceeds \$130,000 if the sum exceeds \$130,000 and does not exceed \$160,000,

(xiii) \$32,700 plus 35% of the amount by which the sum exceeds \$160,000 if the sum exceeds \$160,000 and does not exceed \$200,000,

(xiv) \$46,700 plus 40% of the amount by which the sum exceeds \$200,000 if the sum exceeds \$200,000 and does not exceed \$250,000,

(xv) \$66,700 plus 45% of the amount by which the sum exceeds \$250,000 if the sum exceeds \$250,000 and does not exceed \$300,000, and

(xvi) \$89,200 plus 50% of the amount by which the sum exceeds \$300,000 if the sum exceeds \$300,000

(d) an executor or successor may elect to pay all or any part of the tax payable by him in such number (not exceeding six) of equal consecutive annual instalments as is specified by him in his election, on condition of payment by him of interest at such rate as is prescribed by the regulations at the time of the making of the election.

Mr. Speaker: Is it the pleasure of the house to adopt the said motion?

Some hon. Members: On division.

Mr. Speaker: Carried, on division.

Motion concurred in.