

## Income Tax Act

## AMENDMENTS TO PART I OF BILL C-259

Section No. as set forth in clause 1	Page(s) Number(s) of Bill
Section 49	112
Section 89	228
Section 98	250
Section 137	361 and 363

To be added to amendment moved on October 22, 1971

## Page 112

That section 49 as set forth in clause 1 of the said Bill be further amended

(a) by striking out lines 15 to 17 on page 112 and substituting the following:

'(ii) in computing the cost to the purchaser of the property, the adjusted cost base to him of the option; and'

(b) by striking out lines 20 to 22 on page 112 and substituting the following:

'(i) in computing the vendor's proceeds of disposition of the property, the adjusted cost base to him of the option, and'

To be added to amendment moved on October 22, 1971

## Page 228

That section 89 as set forth in clause 1 of the said Bill be further amended by striking out lines 25 to 29 on page 228 and substituting the following:

'were allowed under paragraph 11(1)(a) of this Act as it so read in computing the income of the corporation for taxation years ending before 1972.'

To be added to amendment moved on October 22, 1971

## Page 250

That section 98 as set forth in clause 1 of the said Bill be further amended by adding, immediately after subsection (1) on page 250, the following subsection:

'Continuing partnership interest (1.1) Where at any time after 1971 a taxpayer would, but for this subsection, be regarded as having ceased to be a member of a partnership of which he was a member immediately before that time,

(a) until such time as all rights to receive any property of or from the partnership in satisfaction of the taxpayer's interest in the partnership immediately before that time are satisfied in full, such interest (in

this subsection referred to as a "continuing partnership interest") shall, notwithstanding any other provision of this Act, be deemed not to have been disposed of by the taxpayer and to continue to be an interest in the partnership;

(b) a person who has a continuing partnership interest in the partnership shall, for the purposes of this Act (except subsections 97(2) to (4), subsections (3) to (6) of this section, subsection 100(2) and section 102), be deemed to be a member of the partnership in respect of his continuing partnership interest therein; and

(c) in its application to any property that is a continuing partnership interest in the partnership, paragraph 40(3)(a) shall be read without reference to the words "(except paragraph (c) thereof)" therein.'

To be added to amendment moved on October 22, 1971

## Pages 361 and 363

That section 137 as set forth in clause 1 of the said Bill be further amended

(a) by striking out the heading immediately preceding section 137, on page 361, and substituting the following:

'Credit Unions and Savings and Credit Unions'

(b) by striking out lines 1 and 2 on page 361 and substituting the following:

'Deductions in computing income 137. (1) In computing the income for a taxation year of a credit union or a savings and credit union (in this Act referred to as a "credit union"),

(c) by adding, immediately after subsection (4.1), the following subsection:

'Computation of cumulative deduction account (4.2) For the purposes of subparagraph 125(6) (b) (i), the amount of a credit union's taxable income for a taxation year shall be deemed to be the amount, if any, by which its taxable income for the year otherwise determined exceeds the lesser of \$25,000 and  $\frac{1}{2}$  of its taxable income for the year otherwise determined.'

(d) by striking out lines 8 to 10 on page 363 and substituting the following:

'"Credit union" (b) "credit union" means a corporation, association or federation incorporated or organized as a credit union or cooperative credit society if'