

Private Members' Business

what has been said in this debate, that there is a better way to make things easier for our seniors in Canada.

Let us do it for them and let us do it now by supporting this motion.

Mrs. Coline Campbell (South West Nova): Mr. Speaker, I am pleased to rise tonight in this debate. I congratulate my colleague, the hon. member for Winnipeg—St. James, for this good motion.

Maybe not everybody in the House has been approached by constituents about this particular hardship in the Income Tax Act, but I have had people approach me. I just want to say that some study by this House should be allowed on this motion. I say that because if the minister and his officials had put a level of income tax owed that one would have to pay quarterly on anything above that level, you might not have seen the hardships that have developed since.

This motion pertains mainly to seniors, but there are special cases too where there is an amount of money put away in a banking institution which comes due only once a year. Perhaps it only gives a return of a thousand or a couple of thousand dollars in interest, which should not force the person to pay quarterly instalments.

• (1930)

The idea of quarterly instalments I can see for those who have a large income coming in, but for someone who has perhaps \$20,000 and is getting 10 per cent interest on it at the bank, it does not make sense to make them pay taxes quarterly. It does not make sense to make them go to the bank and change the arrangements from a yearly term deposit to a quarterly term deposit. They are going to lose money. They are not going to get the best value as the higher income people can who would perhaps fit that category.

I have spoken to the department. Some of the officials feel that perhaps it should be looked at. It definitely was not meant to catch the people who earn income at the lower income levels.

The other thing I want to say about this is there are special cases who are not seniors, widows perhaps, people living on very low income and getting interest back from their investments that are not high enough or

they should be below a level that they have to do it on a quarterly basis.

I want to say that the way it was done is an affront. People did not realize they had to pay quarterly. They get a notice and it says: "You should have made instalment payments in 1990. Since this is the first time you have been notified of this requirement we did not charge you interest", that was for 1990, "If you need to make instalment payments in 1991", that is the first confusion, "your first payment is due 30 days from the date of the notice".

All of their banking arrangements that have been done for a year and this is the first time they get notice. They have to borrow or they have to break that investment in order to pay quarterly. Further it says: "We will send you more information about instalment requirements shortly". It goes on, and this is the part that really gets me: "Your balance payable includes interest on arrears which is compounded daily at a prescribed rate and calculated from the due date of your balance to the date of this notice".

This is the first time probably this senior or this special case had this happen and automatically runs to a bank, takes out their investment and the government is going to get less on the taxable return because there will be less income from that investment.

It makes no sense at the lower income level to force a person to pay quarterly. I say force, because this is the next notice that this person got: "We have processed your application form for the GST credit that you submitted with your 1990 income tax return". The GST credit is to help lower income people through the 7 per cent GST. It goes on: "We have calculated your GST credit as shown below. Your yearly entitlement to the GST credit is shown", as such and such a line, "and it is payable to you now. However, the amount of x dollars payable now has been applied to the income tax account to reduce or eliminate the balance owing. If the balance has been paid, we will send the remaining credit".

Look at all the red tape that this government has imposed on a senior citizen who has a couple of thousand dollars or under of interest or in one of the cases I have, a special case, where there was under \$2,000 owing and they have to either break that investment, in order to get