

PERSONAL INCOME

ITEM	OLD LAW	NEW BILL
Special deduction	Individuals who are blind or are confined to bed or wheel chair are allowed a special deduction of \$500 a year.	Special deduction increased to \$650 a year.
Child care expenses	No deductions.	Up to \$500 per child under 14 or over 14 and infirm with a limit of \$2,000 per family. Deductions may not exceed 2/3 of income of parent claiming deduction. Receipts needed. Deducted by mother unless unable to work. Payments to dependants or to relatives under 21 do not qualify.
Employment expenses	Very limited; e.g. union dues.	3% of gross employment income up to \$150 deductible.
Expenses when working away from home	Amounts received from employer by construction workers for board, lodging and transportation at distant sites not taxable.	Old law extended to all employees.
Moving expenses	Employer may deduct as business expense. No deduction by employee.	Employees and self-employed may deduct from income from new job one year carry-over. Must move 25 miles closer to job. Special rules for students.
Medical expenses	<p>Allowable expenses deductible to the extent they exceed 3% of net income.</p> <p>Insurance premiums not deductible.</p> <p>Expenses reimbursed by government plans not deductible.</p> <p>Employers' contributions to public hospital plans and some medical plans result in taxable benefit; contributions to private plans do not.</p>	<p>List of allowable expenses increased to include training institutions for disabled persons and prescribed appliances and equipment.</p> <p>Premiums to plans other than government are classed as medical expenses.</p> <p>Expenses for which taxpayer has been reimbursed under a plan not classed as medical expenses.</p> <p>Employers' contributions to all government plans result in taxable benefit.</p>
Unemployment insurance	Contributions not deductible; benefits not taxable.	Contributions deductible; benefits taxable.
Club fees, convention expenses, entertainment costs	Generally deductible by persons carrying on a business or profession.	Yachts, lodges and club dues disallowed; geographical restrictions placed on conventions.
Charitable donations	<p>Donations to registered charitable institutions limited to 10% of net income.</p> <p>Donations to federal and provincial governments deductible without limit.</p>	<p>Limit on donations 20% of net income. Donations to national amateur athletic associations qualify.</p> <p>Same provisions for donations to governments.</p>