

Adjournment Debate

the important role it plays in providing or supplementing various services in the community. The question of volunteer service has become an important issue, and many advocate the use of the income tax system to provide incentives to encourage volunteer services in Canada. However, the effectiveness of the tax system depends upon its integrity and fairness.

Contributions of money and time in volunteer service is basically personal and undertaken at a taxpayer's discretion. The related expenses of providing the service are therefore personal expenses. Because of the possibility of the misdirection of tax incentives for personal gains, tax concessions are not generally provided in respect of personal expenses, even when they are expended to earn income; for example the cost of transportation to and from work. Given this general tax principle, it would be very difficult to introduce tax benefits for volunteer services which would be fair to the taxpaying public who must ultimately finance these benefits.

An exception has already been provided in the Income Tax Act by way of the \$500 exemption in respect of allowances received by volunteer firemen from a government, municipality or other public authority. This exemption is in addition to the 20 per cent employment expense deduction, to a maximum of \$500, available to all employees including volunteer firemen.

The \$500 exemption differs from the provision which is proposed in that under current law the authority which grants the allowance serves as an independent control to ensure that the expenses incurred are reasonable and valid. Permitting a deduction of these expenses would clearly increase the administrative cost of ensuring that expenses are reasonable. It would also further aggravate the disparity between volunteer firemen and other volunteer workers, such as St. John's Ambulance drivers who constantly point out the inequity of a tax concession for firemen with no similar treatment for themselves.

At this time of budgetary constraint it would be difficult to justify to the tax-paying public further exemptions. This is so especially in light of the fact that the responsibility for providing municipal services, such as protection against fire, is not properly the responsibility of the federal Government, but that of local and provincial governments.

[Translation]

The Acting Speaker (Mr. Herbert): The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 11 a.m.

At 6.25 p.m., the House adjourned, without question put, pursuant to Standing Order.