

(a) that portion of a taxpayer's non-capital loss for the 1983 and subsequent taxation years that is attributable to a loss from farming or fishing (in this paragraph referred to as a "farm loss") shall be deductible in computing taxable income for the 3 taxation years preceding and the 10 taxation years following the loss year,

(b) a taxpayer's non-capital loss and farm loss for the 1983 taxation year shall be carried back only to the two preceding taxation years where the taxpayer is neither an individual (other than a trust) nor a corporation that would, if it had sufficient income for the year from carrying on an active or a non-qualifying business in Canada, qualify for a small business deduction under section 125 of the Act, and

(c) a non-capital loss and farm loss of a corporation for a taxation year commencing after the acquisition of control of the corporation shall not be deductible in computing its taxable income for a preceding taxation year commencing before the acquisition (other than the taxation year immediately preceding a loss year, where control was acquired before April 20, 1983 or within one year of that date pursuant to arrangements that were substantially advanced and evidenced in writing on or before April 19, 1983) unless the business in which the loss was sustained was carried on in the preceding year and throughout the loss year in which case the loss shall be deductible only to the extent of the corporation's income in the preceding year from that business or a similar business.

#### **Net Capital Losses**

(16) That net capital losses for the 1984 and subsequent taxation years be deductible in computing taxable income for the 3 taxation years preceding the loss year and for all subsequent taxation years, except that

(a) net capital losses for the 1984 taxation year may be carried back only to the two preceding taxation years, and

(b) a net capital loss of a corporation for a taxation year commencing after the acquisition of control of the corporation is not deductible in computing taxable income for a taxation year commencing before the acquisition (other than the taxation year immediately preceding the loss year, where control was acquired before April 20, 1983 or within one year of that date pursuant to arrangements that were substantially advanced and evidenced in writing on or before April 19, 1983).

#### **Restricted Farm Losses**

(17) That restricted farm losses for the 1983 and subsequent taxation years be deductible against farm income in computing taxable income for the 3 taxation years preceding and the 10 taxation years following the loss year, except that a taxpayer's restricted farm loss for the 1983 taxation year may be carried back only to the two preceding taxation years where the taxpayer is neither an individual (other than a trust) nor a corporation that qualifies or would, if it had sufficient income for the year from carrying on an active or a non-qualifying business in Canada, qualify for a small business deduction under section 125 of the Act.

#### **Child Tax Exemption**

(18) That for the 1984 and subsequent taxation years, the maximum personal exemptions referred to in the Act in respect of a dependent person under 18 years of age at the end of the year be limited to \$710 that the related income threshold be limited to \$2,350 and that these amounts no longer be indexed.