

Income Tax Act

partnership that ended before 1972, equal to the aggregate of

(i) the amount that the taxpayer's loss from the partnership for the taxation year of the taxpayer in which the period ended would have been, if the former Act had been read without reference to subsection 83(5) thereof,

(ii) the taxpayers' share, determined at the end of the period, of all losses sustained from dispositions in the period of capital assets that were partnership property of the partnership, to the extent that such losses were not included in computing the loss or income, as the case may be, from the partnership, of any member thereof, and

(iii) the taxpayer's share, determined at the end of the period, of such of the drilling and exploration expenses, including all general geological and geophysical expenses incurred by the partnership while he was a member thereof, on or in respect of exploring or drilling for petroleum or natural gas in Canada as were incurred in the period and after 1948, to the extent that such expenses were not deducted in computing his income from the partnership for his 1971 or any previous taxation year, and

(g) all amounts received by the taxpayer before 1972 as, on account or in lieu of payment of, or in satisfaction of, a distribution of his share of the partnership profits or partnership capital.

Clause 29 (page 650)

That the French version of clause 29 of the said Bill be amended by striking out line 24 on page 650 and substituting the following:

'par le présent article ou l'article 66 de la loi modifiée,

Clause 32 (page 653)

That clause 32 of the said Bill be amended

(a) by striking out line 11 on page 653 and substituting the following:

'Application of ss. 69 (1) of amended Act **32. (1) Paragraph 69(1)(a) of the amended**

(b) by adding, immediately after line 20 on page 653, the following subclauses:

Idem (2) Paragraph 69(1)(b) of the amended Act does not apply to deem a taxpayer by whom anything has been disposed of at any time before the 1972 taxation year to have received proceeds of disposition therefor equal to its fair market value at that time.

Idem (3) For greater certainty, paragraph 69(1)(c) of the amended Act is applicable to property acquired by a taxpayer either before or after the end of 1971.'

Clause 33 (page 654)

That clause 33 of the said Bill be amended by striking out lines 21 to 24 on page 654 and substituting the following:

'of the former Act, a new corporation) was incorporated in 1971 and its 1972 taxation year was its first taxation year, for the purposes of computing its paid-up'

Clause 34 (pages 657 and 658)

That clause 34 of the said Bill be amended

(a) by striking out line 42 on page 657 and substituting the following:

'its income under Part I of the amended Act for a taxation year,'

(b) by striking out lines 28 to 31 on page 658 and substituting the following:

'Tax payable (5) Where there has been an amalgamation of two or more corporations before 1972 and the first taxation year of the new corporation is its 1972 taxation year, if any amount is required by paragraph 85I(2)(k) of the former Act to be added to the

Clause 35 (page 659)

That clause 35 of the said Bill be amended by striking out lines 30 to 37 on page 659 and substituting the following:

Idem (3) Section 91 of the amended Act shall be read as if

(a) the reference in paragraph (1)(a) thereof to "for each taxation year of the affiliate ending in the taxation year of the taxpayer" were read as a reference to "for each taxation year of the affiliate commencing after 1972 and ending in the taxation year of the taxpayer", and

(b) paragraph 1(b) thereof were not applicable in respect of any amount received by a foreign affiliate of a taxpayer during any taxation year of the taxpayer commencing before 1973.'

Clause 49 (page 679)

That clause 49 of the said Bill be amended by adding thereto, immediately after subclause (2) on page 679, the following subclause: