

## ACADEMICS

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Academics appeared before the Sub-Committee to represent a number of different elements of their constituency. They spoke in part for visual artists, many of whom are professors or teachers of art. In this regard, they supported the recommendations made by the visual arts groups and proposed similar solutions themselves. The Sub-Committee has concluded that its recommendations as listed above are applicable to all such artists, whether professors or not, and so need not comment further on this group.

The second problem the academic community presented to the Sub-Committee was related to the reasonable expectation of profit test in fields other than the visual arts. A number of professors generate revenue from their research, publishing or contracting activities and some show losses when all deductions are claimed. In the past, they were deducting these losses against employment income. This group was identified by the same computer project that identified visual artists showing losses. Many of their claims were disallowed and reassessments resulted. The academics requested on behalf of these professors that the Sub-Committee recommend a loosening of the business test.

The Sub-Committee is sympathetic to this problem, but feels unable to deal with it in any specific way for several reasons. First, its jurisdiction is limited to performing and visual artists and writers. Although most academics write, unless they come within the definition of professional writer, they are outside the Sub-Committee's Order of Reference. Secondly, the details of every case undoubtedly vary greatly and the Sub-Committee is in no position to analyze the situation and make recommendations as was possible for the visual artists. Again, the reference has limited the witnesses and discussion on this topic.

Nevertheless, the Sub-Committee reiterates in this connection the comments made previously about expertise on the part of the department. Knowledge about the details of their business is essential if taxpayers are to feel they have been treated fairly.

The third group has a major problem relating to employment expenses. Many academics incur substantial expenses related to their employment and required by it that are not