

Income Tax

reading debate commenced. If my memory serves me correctly, that was for one day prior to Christmas. It was then abandoned until recently.

To use a popular expression, the Minister is "out to lunch" on that point. This is the time to say that the Minister and the Government must file an amended Ways and Means motion to conform with the Bill or reprint the Bill to conform with the Ways and Means motion.

We are not going to hold up proceedings, Mr. Chairman, but the Government must keep its act clean.

Mr. Gamble: Mr. Chairman, the significance of this deficiency in the Bill in failing to conform to the provisions of the Ways and Means motion lies in the fact that the Ways and Means motion made no reference to the additional tax to be imposed upon automobile salesmen as a result of the standby charge changes that are now in the Bill before us. It is not a matter of a technical change; it is a matter directly related to the imposition of an additional tax.

I draw to your attention that while the former provisions of the Act dealing with standby charges in connection with automobiles referred to the imposition of a standby charge which would be at least equivalent to the amount determined under this rather complex section, the Bill now provides that that standby charge, the reasonable amount thereof, is the amount definitely determined under the provisions of Clause 3.

The difficulty that confronts taxpayers generally is that this Bill in its entirety, and more particularly as it deals with standby charges, applies to the entire 1982 tax year. We are talking about individual taxpayers, so it applies to the period from January 1 to December 31, 1982, at which time, if you should have reference to the nature of the compliance in prescribed form referred to for the keeping of accurate records of automobile use, it will immediately become apparent that this Clause will have the effect of obliging people to maintain in prescribed form records of automobile use—on the basis of kilometres—from the beginning of January to the end of December.

There was no knowledge in the general community that automobile salesmen would be required to maintain those records. How can we now properly impose a new tax that did not exist in the form it will take now upon those people when they were not aware that such would be the case, having regard to the fact that the Bill was introduced on December 7, 1982, during the last month of the taxation year of the individuals covered by the provision.

The Minister refers to this as a technical change. If there was a circumstance where basic inequity is built into the imposition of a tax, it is certainly the case here. It is for this specific reason that the rule with respect to the compliance of Bills directly with the provisions of the Ways and Means motion becomes most critical. This is the imposition of an additional tax upon taxpayers. That tax can only be applied in the way provided in the Ways and Means motion.

Mr. Lewis: Mr. Chairman, in reply to my colleagues on the Government side, I would say that perhaps a Government which operates without notice should not always expect to receive notice.

When I referred to Thorne Riddell and Coopers & Lybrand's interpretation of the standby charge, it was as set forth in the original budget and the original Ways and Means motion, not as set forth in the Bill.

I suggest that debate on second reading is on the principle of the Bill. That is fair. We are now dealing with technicalities and suggesting that it is up to the Government to draft the Bill in accordance with the Ways and Means motion.

Citation 518(2) of Beausnesne reads as follows:

The most desirable practice is for the bill to adhere strictly to the provisions of the resolution, and departures, if any, ought to be subject to the strictest interpretation.

We are not suggesting that an increase in tax is merely clarification or that we should go home, quit for the day or scrap the entire Bill. We are just suggesting that we have made a point regarding Clauses 1 and 109 and that consideration should be stood until the Government can draft a Ways and Means motion which adheres to the Bill, or vice versa.

Mr. Fisher: Mr. Chairman, there seem to be two specific points here. The first is whether automobile salesmen have not been properly informed about a change of practice. The second is an over-all issue dealing with the operating cost of automobiles. I should like to argue that both of those things are clarifications of existing practice; they are not new principles.

The Act shows that since 1972 automobile salesmen have known that they will pay 75 per cent of the standby charge of every other salesman. It seems to me that what we are doing here is simply clarifying, as a consequence of other changes, the circumstances that apply to them. That follows directly from the 1972 law under the same Section 6 of the Income Tax Act which provides that all employee benefits are taxable. We are now clarifying what we mean in the area of automobile standby charges and operating costs. We are defining the circumstances for the taxpayer so that he will know precisely what his liabilities are.

● (1140)

The Hon. Member for York North had a great deal to say about record keeping. Again, that is not the case. People have had to keep records about the operation of their automobiles for as long as I can remember, certainly back to 1972. I think the current situation does not change that at all. I ask Hon. Members to see this simply as a clarification of what is an employee benefit and, following from that, a consequential change for automobile salesmen which is already in the law. It is not something brand-new.

Mr. Blenkarn: Mr. Chairman, specifically what we have here is Clause I which substantially complies with the Ways and Means motion, but two particular provisions that impose particular taxes are not in the Ways and Means motion. Therefore, our contention is that while the Bill has received