

THE COLLECTION OF TAXES PRIOR TO APPROVAL OF THE ENABLING LEGISLATION

- 6.1 We recommend that taxes should not be collected until the implementing legislation has been enacted.
- 6.2 We recommend that if the proposed Provisional Implementation of Taxation Measures Act is to be adopted its scope be narrowed so that it would only apply to those taxation measures which if not immediately implemented would result in great loss of revenue for the government. Such matters as taxes on commodities and certain corporation taxes would fall within this category.
- 6.3 We recommend that the Provisional Implementation of Taxation Measures Act should only be available for use with respect to taxation matters included in the budget and the applicable tax bill must be given first reading with the budget.
- 6.4 We recommend that legislation which the government wishes to be subject to the Provisional Implementation of Taxation Measures Act be deemed to have the force of law as if enacted by statute until the end of ten days from the date on which it received first reading unless before that date Parliament is prorogued or dissolved.
- 6.5 We recommend that the House of Commons vote on whether the bill is to be given provisional effect by the end of the tenth day following the date on which it received first reading. This vote should occur without debate or amendment.
- 6.6 We recommend that if the vote on the provisional application of the bill is carried then the bill shall have provisional effect for 120 calendar days from the date on which it received first reading. If the vote is not carried the bill shall be considered to be void *ab initio*.
- 6.7 We recommend in order to ensure that the House of Commons and its committees have sufficient time to study the bill that the motion for second reading should be called within 30 calendar days after the tax bill has received first reading in the House of Commons. After second reading it should be referred to a legislative committee.
- 6.8 We recommend that should the bill not receive Royal Assent within 120 calendar days from the date of first reading it should be deemed to be void *ab initio*.
- 6.9 We recommend that if there is a desire to amend the original bill which is subject to the Provisional Implementation of Taxation Measures Act and the amendment is not substantial then it is appropriate to substitute the amended bill for the original bill and the 120 calendar day time limit for receiving Royal Assent would still run from the date of first reading of the original bill. If, however, the subsequent proposal substantially amends the original bill, the original bill should be withdrawn and the Provisional Implementation of Taxation Measures Act would not be applicable to the new proposal.
- 6.10 We recommend that the Provisional Implementation of Taxes Act contain specific wording making it clear that all taxes provisionally collected should be returned should the tax bill not receive Royal Assent within the prescribed period. This obligation should apply to third party withholding agents as well as to Revenue Canada.