

The Canadian Conference of the Arts supports the "Give and Take" proposal to remove the standard hundred dollar income tax deduction and the allowance of the deduction of half the of charitable from tax payable rather than from taxable income. The April 1983 Budget terminated the standard deduction, but did not permit the deduction of fifty per cent of receipted donations from tax payable. The ability to claim such donations would, in our view, benefit the arts community in broad terms.

Similarly, the CCA supports the recommendations contained in the Charity Today and Tomorrow proposal of the National Voluntary Organizations (NVO), although we would like to see a separate category for cultural activity. Given our charitable status, the involvement of the CCA and its member associations in the review of the Standing Committee could be deemed as political activity and result in the withdrawal by Revenue Canada Taxation of our charitable status. We would refer you in this regard to the special edition on taxation of the CCA's Arts Bulletin, a copy of which is appended. While we consider it unlikely that our intervention will result in such problems, it would be useful to have assurances to that effect embodied in the law.

Finally, the Department of Finance issued a paper, Charities and the Canadian Tax System, in May 1983, which caused considerable concern. The Canadian Centre for Philanthropy prepared an excellent reponse to this paper, which we support, and has been involved in the consultations which, we hope, will lead to a less stringent approach to the taxation of charities. While this issue and the two mentioned immediately above do not relate directly to the specific terms of reference of the Standing Committee, they do have implications for the cultural community and the larger context in which the immediate problems under review are situated.

#### General

In considering the foregoing, it must be kept in mind that the CCA is simply requesting fair and equitable treatment in a manner consistent with the realities which govern the cultural sector. Such treatment is afforded other identifiable sectors in our society and our economy, and there is every good reason to extend this consideration to the arts and the cultural industries.