

“73A. (1) In this Act

“undistributed income on hand.”

(a) ‘undistributed income on hand’ of a corporation at the end of, or at any time in, a specified taxation year means the aggregate of the incomes of the corporation for the taxation years beginning with the taxation year that ended in 1917 and ending with the specified taxation year minus the aggregate of the following amounts for each of those years: 5

(i) each loss sustained by the corporation for a taxation year, 10

(ii) each expense incurred or disbursement made by the corporation during one of those years that was not allowed as a deduction in computing income for the year under this Act other than an expense incurred or disbursement made in respect of the acquisition of property (including goodwill) or the repayment of loans or capital, 15

(iii) the amount by which all capital losses sustained by the corporation in those years before the 1950 taxation year exceeds all capital profits or gains made by the corporation in those years before the 1950 taxation year, 20

(iv) the amount by which all capital losses sustained by the corporation in those taxation years after the 1949 taxation year exceeds all capital profits or gains made by the corporation in those years after the 1950 taxation year, 25

(v) all amounts by which under other provisions of this Act the corporation’s undistributed income on hand has been deemed to have been previously reduced, and 30

(vi) dividends paid by the corporation in those years except dividends that were paid exclusively out of a surplus or accumulated profits on hand prior to January 1, 1917 and that were not taxable under the *Income War Tax Act* as income of the shareholders minus the aggregate of amounts, if any, deductible by the shareholders in respect of the dividends under regulations made under subsection (2) of section 11; 40

“tax paid undistributed income.”

(b) ‘tax-paid undistributed income’ of a corporation as of any time means the aggregate of all amounts upon which tax has been, before that time, paid by the corporation under Part IA of this Act or Part XVIII of the *Income War Tax Act* minus the aggregate of 45

(i) all amounts that have, before that time, been taken into account to reduce, by virtue of section 73 or subsection (2) of section 129 of this Act or section 95 of the *Income War Tax Act*, amounts included in computing income of the shareholders of the corporation, and 50