

4th Session, 20th Parliament, 11-12 George VI, 1947-48.

THE HOUSE OF COMMONS OF CANADA.

BILL 338.

An Act respecting Income Taxes.

(Amended 3rd June, 1948.)
HIS Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

SHORT TITLE.

Short title. 1. This Act may be cited as *The Income Tax Act*.

PART I—INCOME TAX.

DIVISION A—LIABILITY FOR TAX.

- Residents. 2. (1) An income tax shall be paid as hereinafter required 5
upon the taxable income for each taxation year of every
person resident in Canada at any time in the year.
- Non-residents
employed or
carrying on
business
in Canada. (2) Where a person who is not taxable under subsection
one for a taxation year
(a) was employed in Canada at any time in the year, or 10
(b) carried on business in Canada at any time in the
year,
an income tax shall be paid as hereinafter required upon
his taxable income earned in Canada for the year
determined in accordance with Division D. 15
- Taxable
income. (3) The taxable income of a taxpayer for a taxation year
is his income for the year minus the deductions permitted
by Division C.

Method of
computing
income.

(9) Where, upon the application of a method adopted by a taxpayer for computing his income from a business or property for a taxation year to which this Act is applicable, an amount received in the year would not be included in computing his income for the year because on the application 5 of that method it would have been included in computing his income for the purposes of this Act or the *Income War Tax Act* for a previous year in respect of which it was receivable, if the amount was not included in computing the income for the previous year, it shall be included in 10 computing the income for the year in which it was received.

Investiga-
tions, etc.

(10) Section 115, and section 124 except subsection (4) thereof, are applicable *mutatis mutandis* in respect of matters arising under the *Income War Tax Act*.

1949
averaging.

(11) For the 1949 taxation year, section 39 shall be read 15 as though the word "four" in the third line of subsection (1) thereof were "three" and the word "one-fifth" in paragraph (b) of subsection (1) thereof were "one-quarter".

Application of
I.W.T.
Act.

130. (1) Section 9B, subsection (2) of section 25 and section 27 of the *Income War Tax Act* are applicable to 20 amounts paid or credited on or before the last day of 1948 but are not applicable to amounts paid or credited after 1948.

(2) Subject to subsection (1), the provisions of the *Income War Tax Act* other than sections 19A and 97 of 25 that Act are not applicable to taxation years after the 1948 taxation year.

Application of
this Act.

131. Part II of this Act is applicable to amounts paid or credited after 1948 and the other provisions of this Act are, unless otherwise specifically provided, applicable to 30 the 1949 and subsequent taxation years.

House of Commons

Thursday, 24th June, 1948.

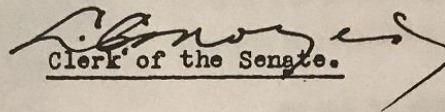
ORDERED:

That the Clerk do carry this Bill to the Senate, and desire their concurrence.

Arthur Meacham
Clerk of the House.

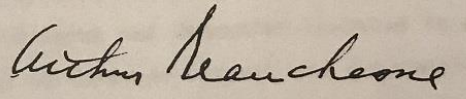
Friday, June 25th, 1948.

ORDERED: That the Clerk do carry this Bill back to the House of Commons and acquaint them that the Senate has passed the same with amendments to which they desire their concurrence.


Clerk of the Senate.

HOUSE OF COMMONS,
Saturday, 26th June, 1948.

ORDERED: That the Clerk do carry back this Bill to the Senate and acquaint Their Honours that this House hath agreed to their amendments without any amendment.


Clerk of the House.

I assent to this Bill in His Majesty's name.

