

Tuesday, March 15th

PRICE REVISES BILL ON INCOME TAX CUT TO MEET OBJECTIONS

If Amendment to Assessment Act Is Enacted, Residents in Larger Municipalities Will Not Receive Immediate Benefit, Unlike Smaller Centres

LOSSES IN REVENUE FELT IN TWO YEARS

As a result of the revision of the Ferguson Government's amendment to the Assessment Act, Torontonians and residents in larger municipalities of the Province will not, if the bill is enacted, receive immediate benefit from the increased income tax exemptions. Nor will large municipalities feel the effect of revenue losses which the bill entails until two years from now.

Smaller centres, assessing and collecting all in one year, will be affected immediately the law is enacted.

The revision was made in the Legislature yesterday, when Attorney-General Price obtained second reading for the act, which increases exemption for householders from \$2,000 to \$3,000 and for non-householders from \$1,000 to \$1,500.

In putting the bill through this further legislative stage yesterday he revised it in part to provide that the new schedule "shall not apply to taxes levied in 1927 on assessment made in 1926. "Previously the bill had provided that the exemptions be construed as if in force on Jan. 1, 1927. This had meant that, if the bill became legislation, tax rates already struck and taxes already levied would be interfered with.

Machinery Adjusted.

Municipalities protesting the proposed bill mentioned this as one objection. The revision made yesterday, Col. Price stated, simply allows for the machinery of taxation to be adjusted to the new measure of exemptions.

In speaking to the bill yesterday Col. Price referred to the increases in the Federal field. This amendment he proposed, said he, was in keeping with the general trend of affairs, and it was material evidence of the Ferguson Government's pre-election promises of reduced taxation.

The proposed increase of exemptions, he noted, was not so general as under the Dominion act, but was aimed to benefit the poorer people throughout the Province. It was in line, said he, with the opportunities given municipalities to grant exemption in certain cases involving real estate.

Larger cities, like Toronto, Hamilton, Ottawa and London, said Col. Price, were not "quite so up to date" as smaller municipalities, in that they collected taxes two years after they were earned.

Cities Still Protest.

While Col. Price suggested that the revision would do away with some objections to the bill, cities throughout the Province, which will be affected by the loss in revenue, still protest that the increases in exemptions are too great.

James C. Forman, Assessment Commissioner for Toronto, told The Globe last night that, while the revision followed intimations of such action made by the Government to municipalities, it did not do away with the chief objection to the proposed legislation. "We feel," said he, "that since \$30,000,000 is involved in the proposed exemptions, that they are too great." Toronto still maintained, said he, that it would suffice to increase the exemptions for householders from \$2,000 to \$2,500, and for non-householders from \$1,000 to \$1,250.

Although the House sat for less than an hour, considerable headway was made with legislation. Five Government measures and eight private bills were given third reading, and now require only Royal assent to make them effective. They were: An act respecting infants, an act to amend the Conditional Sales Act, an act to confirm an agreement between the Township of Stamford and the Hydro-Electric Power Commission of Ontario, an act to amend the Wages Amendment Act, an act to amend the Assignment of Book Debts Act, an act respecting the Town of Sudbury, an act to amend an Act to Incorporate the Y.W.C.A. of London, an act respecting the City of Fort William, an act respecting the East York-Leaside Viaduct, an act respecting the Town of Palmerston, an act respecting the Township of Teck, an act respecting the Windsor Gas Co., Ltd., and an act respecting houses erected under the Ontario Housing Act, 1919.

Measures Passed.

The House, in committee, passed nine Government measures and two private bills. They were: An act to amend the Judicature Act; an act to amend the Mining Tax Act; an act to amend the Survey Act, 1920; an act to amend the Counties Re-forestation Act, 1927; an act for the granting of assistance to the Royal Agricultural Winter Fair; an act respecting the maintenance of deserted wives and children; an act to provide maintenance of children deserted by their parents; an act respecting legitimization of children by the subsequent intermarriage of their parents; an act respecting the Township of Cornwall, and an act respecting the Township of Nipigon.

Measures given second reading during the brief sitting included, in addition to Col. Price's act to amend the Assessment Act, the following four private bills: An act respecting the Township of York; an act respecting the City of Ottawa; an act respecting the Village of Bayfield, and an act respecting the City of Ottawa and the Township of Nepean.

Aid to Timmins.

When the House in committee passed the amendment to the Mining Tax Act, Hon. Charles McCrea inserted a clause extending aid to the Municipality of Timmins. According to former legislation, one-third of mining taxes were extended to mining municipalities. Through a revision, Cobalt was allowed one-half, with the limit being placed at \$35,000. The clause provided similar provision for Timmins, and since substantial profit is paid by the Hollinger to the Crown, further aid in the form of an additional 1 per cent.