

SECOND READING GIVEN INCOME TAX AMENDMENT

Imposes Penalties on Revenue From Foreign Personal Corporations

INDUCEMENT TO MONEY

Other Provisions Bring Conformity With Dominion Legislation

Second reading was given in the Legislature yesterday to the Government's Income Tax Act amendment which imposes penalties on individuals who derive income from personal corporations outside Canada, or who make their head office outside the Province. Other provisions bring the Provincial Income Tax Act in conformity with the Federal Act.

"The main change refers to personal corporations," said Hon. Paul Leduc, sponsor of the bill. "Certain people living here are incorporated under the laws of foreign countries, or have their head offices in foreign countries, and have transferred there a substantial portion of their wealth. The amendment to the act is to induce them to bring their wealth back to Ontario where it was earned, most of it from the natural resources of the Province.

Other Acts Progress.

Second reading was also obtained to amendments to the Mining Tax Act, the Succession Duties Act and the Employment Agencies Act. The first of the three provides, among other things, that incorporated companies must pay their corporation tax within six months of the date of the close of their fiscal year periods.

The Succession Duty Act amendment is designed to prevent the cutting down of the value of an estate by the creation of unwarranted liabilities for wages to a member of the family.

In explaining the purpose of the amendment to the Employment Agencies Act, Hon. David Croll, Minister of Labor, said that it gave the Government power to regulate private employment agencies who profess to deal with executive help and charge for services which might, or might not be given.

Investigations Made.

"We have investigated several of these bureaux," said Mr. Croll. "There was one that had 122 registrations at \$50 apiece. Of this number they obtained twelve or thirteen jobs. It is time the Government stepped in and regulated this business and let the individuals who run them know that we are prepared to step in and stop their operations unless they conform to sound business practice."