

Book Review: The Income Tax Law of Canada, by Arthur R. A. Scace

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Book Reviews

THE INCOME TAX LAW OF CANADA, By Arthur R. A. Scace, Toronto: Law Society of Upper Canada. 1972. Pp.xvi, 493 (\$25.00).

A cartoon by the famous cartoonist Norris which was published in The Vancouver Sun shortly after the introduction of Bill C-259 in 1971 showed a number of officials gathered around the former Minister of Finance, Mr. Edgar Benson, and the caption on the cartoon was as follows: "A magnificent political achievement sir . . . a tax system no one, not even you, can understand and therefore only you can explain."

In his book *The Income Tax Law of Canada*, Mr. Arthur R. A. Scace demonstrates that he, together with Mr. Benson, can explain the intricacies of the new income tax law. Because of the limitations of space, Mr. Scace has only been able to "scratch the surface" of the *Act*, but in doing so has managed to capture the most important aspects.

The basic material for the book was prepared for presentation in The Law Society of Upper Canada programs on the Tax Reform Bill and for use in the Bar Admission course during the 1971-72 session. As a result, the book is basically a teaching book and its structure and continuity are such that the student will in effect use each chapter as a stepping stone upon which to build his tax knowledge.

The author proceeds from the basic liability for tax discussion in chapter one to the concepts of income for tax purposes, the method whereby income is computed for tax purposes, the deductions permitted and the averaging allowed, the aspects of the revolutionary introduction of "capital gains" taxation into the Canadian tax system, the complexities of the taxation of corporations and their shareholders and the attempt by the drafters of the *Act* to provide for "integration", and then proceeds into a number of chapters dealing with the tax aspects of ordinary commercial problems, namely the buying and selling of a business, estate planning and the use of trusts, taxation in real estate, partnerships and professional income and eventually the assessing procedure and the rights of the taxpayer in appealing against reassessments.

While basically a teaching book, the book is particularly useful to the busy practitioner who wishes to obtain a quick, concise, overall view of the new tax system with the aim of recognizing the problem areas which necessitate research at that time.

The book suffers from two basic defects. (1) A hard covered manual on income tax is immediately "suspect" as being out of date, a defect not

present in a loose-leaf service. In fact Mr. Scace's comments in some cases have been affected by the recent Budget Resolutions. Mr. Scace indicates that this problem is to be overcome by the publishing of "an annual edition of the book which will take into account new cases, amendments to the *Act* and other developments in the income tax field." (2) The high cost of \$25 per volume (a special student price of \$12.50 has only recently been authorized). A book which must be purchased annually in order to be up-to-date should have a much lower cost.

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