The Income Tax Amendment Act, 1978
CHAPTER 11

An Act to amend The Income Tax Act

Assented to April 24th, 1978

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Clause i of subsection 3 of section 3 of The Income Tax Act, being chapter 217 of the Revised Statutes of Ontario, 1970, as enacted by the Statutes of Ontario, 1977, chapter 6, section 1, is repealed and the following substituted therefor:

   (i) 44 per cent in respect of the 1977 and 1978 taxation years.

2. (1) Subsection 3 of section 6b of the said Act, as re-enacted by the Statutes of Ontario, 1972, chapter 146, section 2, is amended by striking out "who is a full-time student at a college, university or school of nursing" in the second and third lines.

   (2) Subsection 11 of the said section 6b, as enacted by the Statutes of Ontario, 1974, chapter 91, section 2, is amended by striking out all the words after "subsection 5" in the sixteenth line and inserting in lieu thereof "provided that no claim to establish a deduction or an additional deduction under this section may be made after four years from the end of the particular taxation year with respect to which a deduction under subsection 2 could first have been made".

3. Subsection 1 of section 17 of the said Act is repealed and the following substituted therefor:

   (1) Every person who, knowingly or under circumstances amounting to gross negligence in the carrying out of any duty or obligation imposed by or under this Act, has made or has participated in, assented to or acquiesced in the making of, an incorrect statement or omission (in this section referred to as a "false statement") in a return, certificate, statement or answer (in this section referred to as a "return")
(a) the tax for the year that would be payable by him under this Act if his taxable income for the year were computed by adding to the taxable income reported by him in his return for the year that portion of his understatement of income for the year that is reasonably attributable to the false statement,

(b) the tax for the year that would have been payable by him under this Act had his tax payable for the year been assessed on the basis of the information provided in his return for the year.

(1a) For the purposes of subsection 1, the taxable income reported by a person in his return for a taxation year shall be deemed not to be less than nil and the "understatement of income for a year" of a person has the meaning assigned to that expression in subsection 2.1 of section 163 of the Federal Act.

4. Clause b of subsection 8 of section 52 of the said Act is amended by striking out "section" in the second line and inserting in lieu thereof "subsection".

5. Section 5 of *The Income Tax Amendment Act, 1977*, being chapter 6, is repealed and the following substituted therefor:

5.—(1) This Act, except subsection 3 of section 1, shall be deemed to have come into force on the 1st day of January, 1977.

(2) Subsection 3 of section 1 shall be deemed to have come into force on the 1st day of January, 1976 and to apply to the 1976 and subsequent taxation years.

6.—(1) This Act, except sections 1, 2 and 5, comes into force on the day it receives Royal Assent.

(2) Section 1 and subsection 1 of section 2 shall be deemed to have come into force on the 1st day of January, 1978.

(3) Subsection 2 of section 2 and section 5 shall be deemed to have come into force on the 1st day of January, 1977.

7. The short title of this Act is *The Income Tax Amendment Act, 1978*. 