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*Changes to legislation: There are currently no known outstanding effects for the British North America Act 1949, Paragraph 47. (See end of Document for details)*

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## SCHEDULE

### TERMS OF UNION OF NEWFOUNDLAND WITH CANADA

#### TERMS OF UNION

##### MISCELLANEOUS PROVISIONS

###### *Income Taxes*

- 47 In order to assist in the transition to payment of income tax on a current basis Canada will provide in respect of persons (including corporations) resident in Newfoundland at the date of Union, who were not resident in Canada in 1949 prior to the date of Union, and in respect of income that under the laws of Canada in force immediately prior to the date of Union was not liable to taxation, as follows:
- (a) that prior to the first day of July, 1949, no payment will be required or deduction made from such income on account of income tax;
  - (b) that for income tax purposes no person shall be required to report such income for any period prior to the date of Union;
  - (c) that no person shall be liable to Canada for income tax in respect of such income for any period prior to the date of Union; and
  - (d) that for individuals an amount of income tax for the 1949 taxation year on income for the period after the date of Union shall be forgiven so that the tax on all earned income and on investment income of not more than \$2,250 will be reduced to one-half the tax that would have been payable for the whole year if the income for the period prior to the date of Union were at the same rate as that subsequent to such date.

**Changes to legislation:**

There are currently no known outstanding effects for the British North America Act 1949, Paragraph 47.