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SUBMISSION

to the

SPECIAL COMMITTEE OF THE SENATE

ON THE CHARITABLE SECTOR

October 2018

SUMMARY OF RECOMMENDATIONS

That the Committee recommend amendments to the *Income Tax Act* so that all appeals from decisions of the Charities Directorate proceed first to the Tax Court of Canada for a hearing de novo, following consideration (or delay) by CRA's Appeals Directorate

That the Committee recommend that government provide funding to Statistics Canada to conduct one major study related to Canada's voluntary sector each year and to ensure funding is available for dissemination of the results.

That the Committee recommend inclusion within the *Income Tax Act* of a provision that would allow a charity to have a political purpose that is ancillary to an otherwise charitable purpose.

That the Committee recommend that CRA fundamentally review its interpretation of "direct or indirect support" and its determination of when a person becomes a candidate for public office.

That the Committee address the question of whether the confidentiality provisions of the *Income Tax Act* should be amended so as to allow CRA to make publicly available information leading to a decision to give notice of intention to revoke a charity's registration.

That the Committee consider proposals made by other witnesses to create a greater "culture of giving" within Canadians, without proposing any change in the basic structure of the charitable-donation tax credit.

That tax on the capital gain realized on the sale of real estate and private equity be waived where the donor donates the proceeds of such sale within 30 days of receiving the income (in whole or in part) from such sale.

That the Committee recommend that the Government of Canada immediately implement the recommendations contained in the report of the Blue Ribbon Panel on Grants and Contributions and encourage provincial and territorial governments to do the same.

That the Committee recommend that Treasury Board review grant agreements used by government departments and eliminate unnecessary restrictions in such agreements and encourage provincial and territorial governments to do the same.

That the Committee endorse the “destination of funds” test and recommend that charities be allowed to carry out any type of business activity so long as the proceeds of such activity are used to support the charitable purposes of the charity.

That the Committee recommend legislative and policy changes that would allow charities to further their charitable objects, inside and outside Canada, with a minimum administrative burden, while ensuring that charitable resources are appropriately stewarded.

That the Committee recommend amendments to the *Income Tax Act* that would significantly narrow the definition of who is ineligible to serve as a director or manager of a registered charity or registered Canadian amateur athletic association (RCAAA).

That the Committee endorse the qualities of a regulator set out in Chapter 3 of the Joint Regulatory Table’s final report and recommend that the government provide the resources necessary to achieve those qualities, while requiring CRA to report publicly on a regular basis on its progress toward achieving the goals that are set out in the report.

That the Committee recommend re-establishment of an Advisory Committee on Charities, to be appointed by, and responsible to, the Minister of National Revenue.

That the Committee recommend that the government commit to the Accord and appoint “champions” of the Accord throughout government departments and agencies.

That the Committee propose an ongoing mechanism for regular review of the legislative provisions related to charities and not-for-profit organizations.