

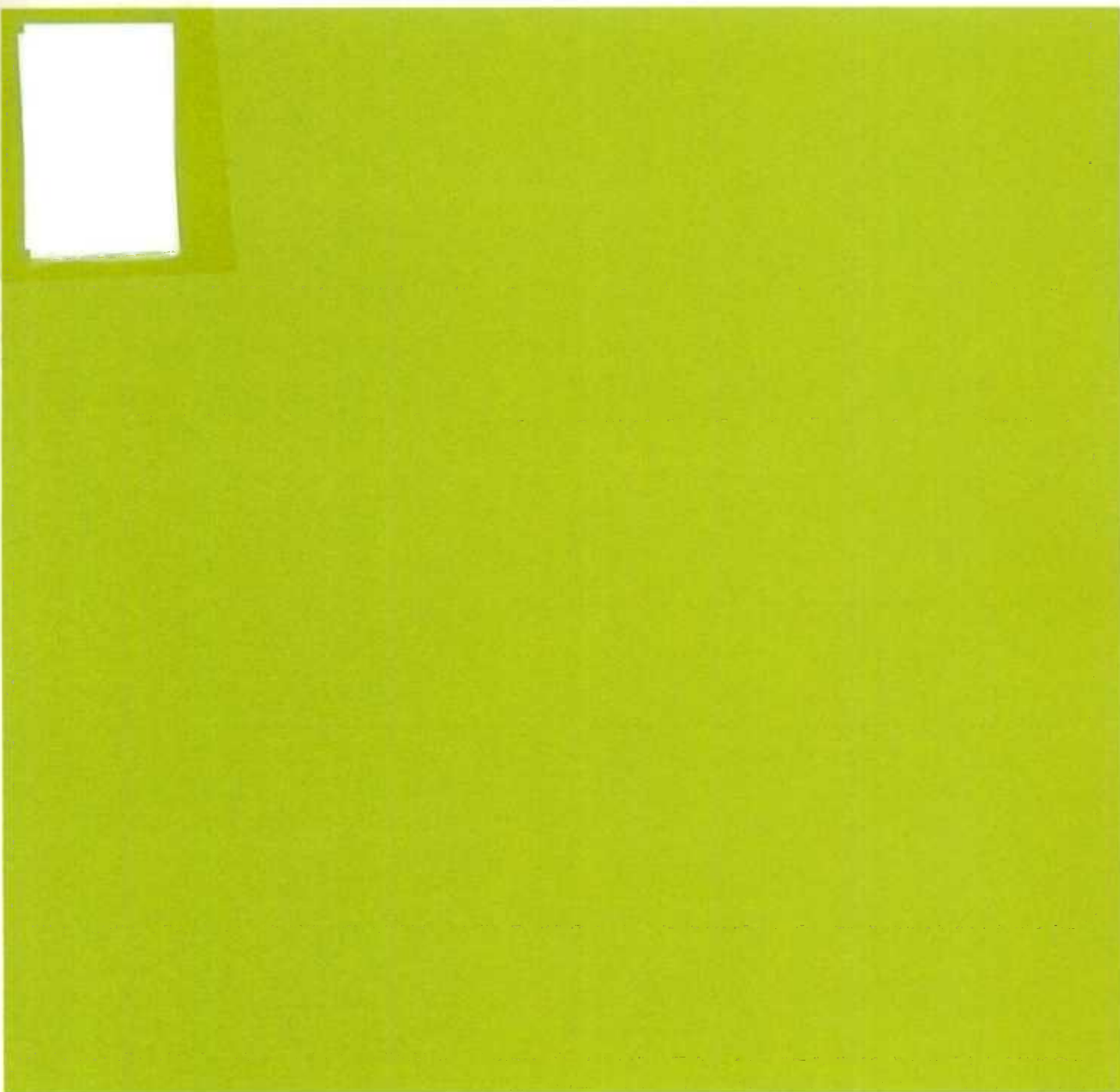
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Principal taxes and rates

FEDERAL, PROVINCIAL
AND LOCAL GOVERNMENTS

1972



STATISTICS CANADA
Governments Division

PRINCIPAL TAXES AND RATES

FEDERAL, PROVINCIAL AND
LOCAL GOVERNMENTS

1972

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INTRODUCTION

The purpose of this publication is to present a concise summary of the structures of the more important taxes imposed in Canada.

The format of the report has been designed to facilitate comparison of similar taxes in different jurisdictions.

The publication is divided into five parts, as follows:

Part I: Income and Gift Taxes and Succession Duties

Part II: General Sales Taxes

Part III: Other Important Taxes Levied by the Federal and Provincial Governments

Part IV: Real Property Taxes

Part V: Historical Summaries of Selected Taxes

The publication takes account of all tax changes announced prior to July 1, 1972.

GENERAL COMMENTARY

Canada is a federal state with a central government and ten provincial governments. In 1867 the principal colonies of the British Crown in North America joined together to form the nucleus of a new nation, and the British North America Act of that year became its written constitution. This statute created a central government with certain powers while continuing the existence of political subdivisions called provinces with powers of their own.

Under the British North America Act the Parliament of Canada has the right to raise "money by any mode or system of taxation" while the provincial legislatures are restricted to "direct taxation within the province in order to the raising of a revenue for provincial purposes". Thus the provinces have a right to share only in the field of direct taxation while the federal government is not restricted in any way in matters of taxation. The British North America Act also empowered the provincial legislatures to make laws regarding "municipal institutions in the province". This means that municipalities derive their incorporation with its associated powers, fiscal and otherwise, from the provincial government concerned. Thus, municipalities are also limited to direct taxation.

A direct tax is generally recognized as one "which is demanded from the very person who it is intended or desired should pay it". As a result of court decisions, the concept enjoys fairly broad interpretation and allows the provinces to impose income taxes, general sales taxes at the retail level, succession duties and an assortment of other levies on ultimate purchasers or users of goods and services. In turn, municipalities, acting under the guidance of provincial legislation, tax real property, water consumption and places of business. The federal government imposes direct taxes on income and indirect taxes such as customs duties and manufacturer's sales and excise levies.

The increasing use by both the federal and the provincial governments of their rights in the field of direct taxation in the 1930's resulted in duplication of administration and in some severe tax levies. In 1941, a federal-provincial tax-sharing agreement was concluded to help finance the war effort. Its principal aim was to ensure an orderly imposition of direct taxes. The success of this initiative was such that a similar scheme was

worked out between the federal government and most of the provinces after the end of the war. Since then, tax-sharing agreements have been periodically negotiated between the two levels of government, normally for five-year periods. Under the earlier agreements, the participating provinces undertook, in return for compensation, not to impose, or permit their municipalities to use certain of the direct taxes. Under the arrangements which prevailed between 1962 and 1972, the federal government partially withdrew from the income and estate tax fields to allow for the imposition of corresponding provincial levies.¹ The mechanism used in the process consisted in abating by a given percentage federal tax otherwise payable thus making it possible for the provinces to impose corresponding taxes equal to or somewhat higher than the abatement provided.

Under the present arrangements, the abatement mechanism has largely been abandoned as far as personal income tax is concerned. In this field, it exists only to help provide fiscal compensation to Quebec for having assumed full responsibility for programs which, in the other provinces, are financed partially or entirely by the federal government; the Quebec abatement is equal to 24 percentage points of the federal personal income tax. In the other provinces, provincial personal income tax is expressed as a percentage of federal personal income tax but there is no abatement of the federal levy.² Under the present fiscal arrangements, the federal government maintains the abatement which prevailed between 1967 and 1972 in the field of corporation income tax to facilitate the imposition of corresponding provincial levies. Thus federal corporation income tax rates continue to be subject to an abatement of 10% in all provinces.

The present fiscal arrangements became operative on April 1, 1972 and will run until March 31, 1977. As part of these arrangements, the federal government has entered into tax collection agreements under which it

¹ The federal government also remitted to the provinces without succession duties 75% of its estate tax collections in respect of decedents domiciled in those provinces.

² Under the federal tax reform which took effect on January 1, 1972, the rates of federal personal income tax were adjusted to take account of a provincial tax at the rate of 30.5% in all provinces.

collects the provincial personal income taxes for all provinces except Quebec, the provincial corporation income taxes for all provinces except Ontario and Quebec, the provincial gift taxes for all provinces except Quebec and Alberta, and the provincial succession duties for the four Maritime Provinces and for Manitoba and Saskatchewan.³

³ Alberta does not impose gift taxes or succession duties.

The 1972 - 77 arrangements also maintain the situation that prevailed during the period 1967 - 72 with regard to the sharing of the federal corporation income tax on privately-owned power utilities; 95% of the federal revenue from this source continues to be remitted to the provinces. A new feature of the present arrangements is that tax-sharing has been extended to the taxation of corporation undistributed income; 20% of the federal revenue from this source is turned over to the provinces.

NOTE

In the tables of this publication, the statutory authority under which taxes are levied at the federal and provincial levels of government is provided. The proper name of the statute or revised statute is ended by a semicolon. Following in order are the years during which the statute or revised statute was published, its chapter, and a statement as to whether there have been subsequent amendments to it; i.e., Excise Act; R.S. 1952, c. 99 and amendments.

PART I

INCOME AND GIFT TAXES AND SUCCESSION DUTIES

PART I

THE HISTORY OF THE UNITED STATES

FEDERAL INCOME TAX

Under the federal Income Tax Act, tax is levied on the taxable income of individuals and corporations resident in Canada and on the taxable income of non-residents employed or carrying on business in Canada at any time during the year. A withholding tax is also levied on certain payments to non-residents. Canada has entered into income tax conventions with several countries in

order to avoid double taxation of the same income and to prevent fiscal evasion.

1972 was the year of federal income tax reform in Canada. The changes that the reform brought about are summarized in the following paragraphs.

The Federal Income Tax Reform

I. General

Background — In 1962, the federal government appointed a Royal Commission to "inquire into and report upon the incidence and effects of taxation imposed by Parliament" and other related matters set forth in the Order in Council which established the body. Headed by Kenneth Le M. Carter, the Commission was more than four years at work producing its report. Released in early 1967, the voluminous document became the object of intensive study on the part of government and the public at large. In 1969, the federal government issued a White Paper outlining its proposals for reform of the income tax. This White Paper was thoroughly scrutinized by tax specialists, public finance analysts and the general public, and numerous representations were made on its content. These representations were carefully reviewed and, in 1971, the federal government placed before Parliament income tax reform proposals to take effect on January 1, 1972.

Synopsis — The federal income tax reform which became effective on January 1, 1972 makes a number of significant revisions to the previous system. It introduces the taxation of capital gains. It integrates all levies on personal income into a single impost designed to ensure a more equitable distribution of the tax burden and provides in the process a system of exemptions that effectively removes low income earners from the tax rolls and considerably reduces the tax burden on a large number of taxpayers. It modifies the taxation of corporations by distinguishing between business and investment income and between private and public corporations, and by providing a special low rate of tax on the business income of small Canadian-controlled private corporations. It abolishes the federal taxation of estates and gifts. It brings about significant changes in the taxation of mining and oil and gas income, in the deduction of business expenses, and in the taxation of international income (most of the changes pertaining to the taxation of international income do not become operative until 1976).

Capital gains — The revised income tax system taxes capital gains. The general rule is that one half of capital gains are brought into income and taxed at normal personal or corporation rates. However all taxpayers can deduct one half of their capital losses against the capital

gains which they bring into income; in the event of not having sufficient capital gains brought into income to offset his deductible capital losses, an individual can also deduct up to \$1,000 of capital losses against income from other sources. Gains are generally taxable and losses deductible when a taxpayer sells an asset, makes a gift, or dies. Exempt from taxation is any gain realized by a taxpayer in selling his home together with surrounding land of one acre or less, and any gain on the sale of personal property at a price not in excess of \$1,000. Farmers have a choice of either being exempt on any gain made on their principal residence only or, alternatively, they can deduct \$1,000 per year of possession from the gain realized on the sale of all their farm property including their principal residence. Generally speaking, a capital gain is defined as the appreciation of an asset between valuation day or day of purchase, whichever is higher, and the date it is disposed of. Valuation day for purposes of capital gain taxation has been set at December 22, 1971 for shares which are publicly traded on Canadian stock exchanges and December 31, 1971 for all other assets such as bonds, rental properties, cottages and mortgages.

II. Personal Income Tax

The Concept of Personal Income

Personal income is significantly broadened under the new system. Half of capital gains are brought within its ambit. This accounts for the most notable enlargement of this tax base. Other additions to income include:

- (a) payments from income maintenance insurance plans to which the taxpayer's employer has made a contribution,
- (b) unemployment insurance benefits,
- (c) allowances paid under the Adult Occupational Training Act (not including the portion for personal or living expenses while away from home for training),
- (d) allowances paid under the Textile and Clothing Board Act,
- (e) scholarships, fellowships and bursaries subject to a \$500 exemption, and
- (f) amounts contributed on an employee's behalf to a public medical care plan.

Rates

The old age security and social development taxes are eliminated as separate levies and the 4% tax on investment income from sources outside of Canada is cancelled. The new system melts all previous federal levies applicable to taxable income into a single impost at the following rates:

17% on the first \$500 of taxable income					
\$	85	on \$	500	plus 18%	on next \$ 500
175	"	1,000	"	19%	" " 1,000
365	"	2,000	"	20%	" " 1,000
565	"	3,000	"	21%	" " 2,000
985	"	5,000	"	23%	" " 2,000
1,445	"	7,000	"	25%	" " 2,000
1,945	"	9,000	"	27%	" " 2,000
2,485	"	11,000	"	31%	" " 3,000
3,415	"	14,000	"	35%	" " 10,000
6,915	"	24,000	"	39%	" " 15,000
12,765	"	39,000	"	43%	" " 21,000
21,795	"	60,000	"	47%	on excess

Note: These are the federal tax rates; the provincial rates are shown on pages 16 and 17.

Exemptions and Deductions

The new system increases personal exemptions for single, married, handicapped and older taxpayers and creates new deductions for expenses incurred by taxpayers in the process of earning income. The revised exemptions and deductions are as follows:

(a) Personal Exemptions:

Single taxpayer	\$1,500
Married taxpayer	2,850 ¹
Dependant under 16 years of age	300 ²
Dependant aged 16 years or over	550 ³
Taxpayer aged 65 years or over	650
Individual who is blind or confined to a wheelchair	650

¹ The additional \$1,350 for supporting a spouse is reduced by \$1 for every \$1 of the spouse's income in excess of \$250.

² Reduced by \$1 for every \$2 of the dependant's income in excess of \$1,000.

³ Reduced by \$1 for every \$1 of the dependant's income in excess of \$1,050.

(b) Deductions:

Standard deduction	\$100 ¹
Charitable donations	up to 20% of income
Medical expenses	in excess of 3% of income
Union and professional dues	without restrictions
Child care expenses	\$500 for each child under 14 years of age (max. \$2,000 per family)
Employment expenses	up to 3% of employment income (max. \$150)
Moving expenses	removal expenses incurred by a taxpayer who changes job

¹ In lieu of deductions for charitable donations and medical expenses.

The new system substantially increases deductible contributions to retirement plans. The limits on contributions to registered pension plans and deferred profit-sharing plans are raised from \$1,500 to \$2,500. The limits on contributions to registered retirement savings plan are raised from \$2,500 or 20% of earned income to \$4,000 or 20% of earned income.

Tax Abatement, Reduction and Credit

The previous arrangement under which federal "basic" tax was abated in all provinces to make room for provincial taxes has been changed. The abatement system has largely been abandoned. Provinces which have entered into tax collection agreements continue to impose their tax as a percentage of federal tax but their impost does not abate federal tax. The only remaining federal tax abatement is the 24 percentage points allowed in Quebec in recognition of the fact that this province entirely finances certain programs which are partly or wholly financed by the federal government in the other provinces.

A temporary tax reduction equal to 3% of federal tax is granted to all taxpayers in 1972. This tax reduction was introduced by the statement made by the federal Minister of Finance on October 14, 1971, in the context of special measures designed to promote a rapid increase in employment.

The new system introduces a change in the dividend tax credit. Taxpayers increase the amount of their dividends by one-third and include the amount in income. A credit against federal tax is allowed equal to four fifths of the "grossed up" one third of dividends added to income.

Income Averaging

The new system has two provisions for averaging income over a number of taxation years to reduce tax liability in a year when the taxpayer benefits from a substantial appreciation in income. The first is called general averaging. It applies when a taxpayer's income for a year is 20% more than the average of the preceding four years and 10% more than the immediately preceding year. An automatic calculation is made by the Department of National Revenue using information on the taxpayer's return for the taxation year and the preceding four years. The taxpayer does not have to elect or make the calculation. This averaging calculation is first to apply in 1973 using only one preceding year. The second averaging provision is called forward averaging and, as its name implies, is designed to spread unusual lump-sum receipts in equal portions over the current and future years. Forward averaging is to be accomplished through the purchase of a special type of annuity called an income-averaging annuity. The annuity payments are included in income in the year they are received. The annuity may be for life or for a guaranteed term of up to 15 years.

III. Corporation Income Tax

The new system brings about several changes in the taxation of corporation income. Most of these stem from the distinctions which it makes among corporations. The most important of these is that between private and public corporations. A public corporation is defined as a corporation whose shares are listed on a prescribed Canadian stock exchange or which meets certain conditions and either is designated by the Minister of National Revenue or elects to be a public corporation. A private corporation is any corporation that is not a public corporation or that is not controlled by a public corporation. The new system also makes distinctions based upon whether a corporation has business or investment income and whether it is Canadian or non-Canadian controlled. Under the previous system, no such distinctions were made among corporations.

Concept of Income

A corporation must include one half of its capital gains in income. Half of its capital losses are deductible from the capital gains brought into income.

Rates Applicable to Business Income

The rates applicable to the business income of corporations, before abatement for provincial taxes, are as follows:

- (a) Public corporations:
50% (reducing by one percentage point annually to 46% in 1976).
- (b) Canadian-controlled private corporations:
25% on the first \$50,000 of taxable income from an active Canadian business and 50% (reducing by one percentage point annually to 46% in 1976) on taxable income in excess of \$50,000 (the 25% rate on the first \$50,000 of taxable income is available until taxable income of \$400,000 has been accumulated).

Rates Applicable to Investment Income and Certain Investment Corporations

Investment income means interest, rents, royalties, one half of capital gains and similar types of income that result from holding property. Dividend income is also included in investment income but is taxed separately under different rules. The rates applicable to the investment income of corporations are as follows:

- (a) Dividend income of public corporations:
Exempt unless paid out of the designated surplus of a corporation controlled by the receiving corporation.
- (b) Other investment income of public corporations:
50% (reducing by one percentage point annually to 46% in 1976).

(c) Dividend income of private corporations:

Normally exempt if received from subsidiary corporations; 33-1/3% if received from non-subsidiary corporations but fully refunded if dividends are paid to shareholders (for every \$3 of dividend paid, \$1 of tax is refunded).

(d) Other investment income of private corporations:

50% (reducing by one percentage point annually to 46% in 1976) subject to the provision that half the tax paid is refunded when dividends are paid to shareholders (for every \$3 of dividends paid, \$1 of tax is refunded).

(e) Investment corporations:

25%.

(f) Mutual fund corporations:

Taxed as public corporations except that tax paid on capital gains is refundable as the corporations pay dividends from their capital gains or redeem their shares.

(g) Mutual fund trusts:

Tax on their capital gains is refundable in a manner similar to mutual fund corporations.

Distribution of Capital Gains

The general rule is that one half of any capital gain realized by a private corporation may flow tax-free to its Canadian shareholders. The private corporation upon realizing the gain includes half of it in income and pays tax at full rate on that half. The other half is placed in a capital gain surplus account. Dividends paid by the private corporation out of the capital gain surplus account are tax exempt in the hands of Canadian shareholders.

Tax Abatement and Reduction

There is an abatement of federal rates in all provinces to make room for the imposition of similar provincial levies. The abatement is 10% of taxable corporate profits and effectively reduces the federal rates to 40% and 15% respectively.

A temporary reduction equal to 7% of taxable corporation profits is also allowed in 1972. This tax reduction was introduced by the statement made by the federal Minister of Finance on October 14, 1971, in the context of special measures designed to promote a rapid increase in employment.

IV. Other Changes

Foremost among the other tax changes made by the new system is the repeal of the federal estate and gift taxes.

Other changes made by the new system are as follows:

- (a) amounts paid for the use or maintenance of a yacht, camp, lodge or golf course facilities are disallowed as deductible expenses,

- (b) amounts paid as membership fees or dues in clubs which exist principally for the purpose of providing dining, recreational or sporting facilities to members are disallowed as deductible expenses,
- (c) the amount that must be included in income where a car is available for personal use may not be less than a reasonable charge based upon the cost of purchasing or hiring the car,
- (d) interest on money borrowed by a corporation to buy shares in other corporations is recognized as a deductible expense,
- (e) goodwill and similar assets become depreciable for tax purposes,
- (f) the treatment of expenses incurred in the exploitation of mines and oil and gas properties is significantly altered,
- (g) significant modifications are made in the treatment of income derived from mining and oil and gas operations,
- (h) significant modifications are made in the treatment of international income, i.e., income derived from foreign sources by Canadian residents and income derived from Canadian sources by non-residents (many of these changes, however, are not scheduled to become operative until 1976 to allow time to negotiate new tax treaties and renegotiate existing ones).

The major changes are as follows:

(i) Income of Canadian residents from foreign sources:

The credit for foreign taxes paid on overseas business income may be carried forward for up to five years.

After 1975, the credit for foreign tax on investment income of individuals is to be limited to 15%, and any excess of foreign tax is to be treated as a deductible expense.

Income taxes paid to states, or other political subdivisions of foreign countries, are recognized either as a deductible expense or as an income tax eligible for the foreign tax credit.

After 1975, the exemption for dividends received by Canadian corporations from foreign affiliates is to be restricted to dividends from treaty country and dividends received in non-treaty circumstances are to be taxed with relief provided for any taxes paid on the dividends and on the underlying earnings from which the dividends are paid.

(ii) Canadian income of non-residents:

The general rate of withholding tax on investment income of non-residents remains at 15% until December 1975; thereafter it increases to 25%.

The rate of withholding tax on dividends paid by a corporation with a degree of Canadian ownership continues to be five percentage points less than the general rate.

Pensions and similar payments to non-residents are subject to withholding taxes at the general rate.

The rate of tax on non-resident-owned investment corporations remains at 15% until the end of 1975, then increases to 25%. The income of these corporations includes the full amount of capital gains that would be taxable to non-residents, but not other gains. Dividends paid to shareholders are subject to withholding tax but the taxes paid on the earnings which are distributed are refunded to the corporations.

The 1972 Federal Budget

The 1972 federal budget was brought down on May 8, 1972. It introduced a number of changes in federal income taxation. In the area of personal income tax, it increased from \$650 to \$1,000 the special exemptions for taxpayers aged 65 years of age and over and for blind and disabled taxpayers. It also provided an exemption of \$50 a month for students in full-time attendance in post-secondary educational institutions. The exemption is available to students or to parents or relatives who support them (any taxable income earned by a student must be deducted from the exemption claimed by a parent or a relative). These changes are effective from January 1,

1972. In the area of corporation income tax, the budget announced that the general rate applicable to manufacturing and processing income earned in Canada would be reduced to 40% and that the special rate applicable to the first \$50,000 of business income of Canadian private companies would be reduced to 20% where such income was derived from manufacturing and processing operations in Canada. These changes will become effective on January 1, 1973. The budget also provided for the full depreciation in two years of machinery and equipment purchased after May 8, 1972 by Canadian manufacturing and processing concerns.

TABLE I. Income Taxes levied by the Federal Government

Category	Statutory authority	Basis of measurement of tax	Rate	Exemptions, deductions, tax credits, etc.
Income tax - Individuals	Income Tax Act; S.C. 1970-71, c. 63 and amendments	Taxable income of individuals. Income subject to tax includes half of capital gains. Half of capital losses are deductible from capital gains brought into income and up to \$1,000 of capital losses can be deducted from other income subject to tax.	Personal income tax schedule: 17% on the first \$500 of taxable income \$ 85 on \$ 500 plus 18% on next \$ 500 175 " 1,000 " 19% " " 1,000 365 " 2,000 " 20% " " 1,000 565 " 3,000 " 21% " " 2,000 985 " 5,000 " 23% " " 2,000 1,445 " 7,000 " 25% " " 2,000 1,945 " 9,000 " 27% " " 2,000 2,485 " 11,000 " 31% " " 3,000 3,415 " 14,000 " 35% " " 10,000 6,915 " 24,000 " 39% " " 15,000 12,765 " 39,000 " 43% " " 21,000 21,795 " 60,000 " 47% " excess	Main exemptions and deductions from net income to arrive at "taxable income" are: Single taxpayer..... \$1,500 Married taxpayer..... 2,850 For each dependent child including nephews or nieces under 16 years of age 300 For each other dependant (as defined by law and including dependent children, and wholly dependent brothers or sisters over 21 years of age if they are attending university, and uncles or aunts) 550 Students in full-time attendance at a post-secondary educational institution (per month of attendance) 50 Taxpayer aged 65 years of age or over, an additional 1,000 Taxpayers who are blind or confined to a wheelchair 1,000 Charitable donations - up to 20% of income. Medical expenses in excess of 3% of income. In lieu of claiming deductions for charitable donations and medical expenses, an individual may claim a standard deduction of \$100 without receipts. Union or professional association membership dues: no restriction. Child care expenses: \$500 for each child under 14 years of age (maximum \$2,000 per family). Employment expenses - up to 3% of employment income (maximum \$150). Individuals are allowed a credit for dividends from Canadian corporations, which operates as follows: dividend income is increased by 33-1/3% and added to income and 80% of the "grossed up" portion of the dividend is allowed as a credit against tax. The personal income tax liability of an individual who is a resident of Quebec is abated by 24%. A temporary tax reduction equal to 3% of personal income tax is granted to all taxpayers in 1972. There is an abatement of 10% of total taxable income earned in the provinces to make room for the imposition of provincial levies ¹ . A temporary reduction equal to 7% of total tax payable is allowed in 1972.
Income tax - Corporations	Income Tax Act	Business income. Investment income (other than dividend income) including half of capital gains. Dividend income.	Public corporation - 50%. Canadian-controlled private corporation: 25% on the first \$50,000 and 50% on excess. 50% of such income subject to the provision that half the tax paid by private corporations is refunded when dividends are paid to shareholders. Public corporations - generally exempt. Private corporations - exempt if received from subsidiary corporations; 33-1/3% of such income if received from non-subsidiary corporations but fully refunded when distributed.	Deductions from taxable income earned in Canada: Federal and provincial income taxes. An allowance in respect of net increases in business investment in Canada.
	Income Tax Act	Profits of non-resident corporations carrying on business in Canada.	15%	
Withholding tax on payments to non-residents	Income Tax Act	Investment income of non-residents.	General rate - 15% on interest, dividends, management fees, rents, royalties, alimony, patronage dividends, and pension payments. 10% on dividends paid by a corporation "having a degree of Canadian ownership" (25% of voting equity stock), and on rentals of motion picture films and TV tapes.	Exemptions: Interest on bonds or obligations issued after April 15, 1966 by the Government of Canada or any of the provinces, by any agent of a province, educational institution or hospital with provincial guarantee or by any local government established under provincial law. Interest on certain bonds issued before December 20, 1960. Interest payments to certain non-resident exempt institutions.

¹ See commentary on page 5, in Federal-Provincial Fiscal Arrangements.

INCOME AND GIFT TAXES AND SUCCESSION DUTIES LEVIED BY PROVINCIAL GOVERNMENTS

Personal Income Tax

In every province, a tax is levied on the income of individuals who reside or, in the case of non-residents, who earn income from sources within its boundaries. In all provinces except Quebec, this tax is expressed as a percentage of the corresponding federal levy and is collected by the federal government under the terms of agreements with the provinces. In Quebec, the tax is imposed at graduated rates on taxable income and is collected by the provincial government.

The tax rates of the tax collection agreement provinces had to be revised in 1972 as a result of the federal personal income tax reform. The revision started from the assumption that 30.5% of the new federal tax was the equivalent of 28% of the previous "basic tax". Ontario's new tax rate is lower than 30.5% of federal tax due to a 3% provincial tax reduction for the 1972 taxation year. British Columbia's new tax rate stands at 30.5% of federal tax. The new rates of the other tax collection agreement provinces exceed 30.5% of federal tax.

Quebec revised its personal income tax for 1972 to maintain relative compatibility with the corresponding federal levy. Half of capital gains are taxable and half of capital losses are deductible from the capital gains brought into income for tax purposes. The exemptions and deductions allowed in computing taxable income are in line with the corresponding federal reliefs with the exceptions of the deduction for a dependent child eligible for family allowances which, as has been the case since 1967, is replaced by supplementary family allowance benefits¹ and the special deduction for a taxpayer aged 65 years and over which is \$650 instead of \$1,000.² The Quebec personal income tax continues to differ from the federal personal income tax in another respect in that it completely relieves from tax married individuals whose net income does not exceed \$4,000 and single individuals whose net income does not exceed \$2,000. The Quebec tax rates are adjusted to take account of the changes made in the computation of taxable income and to insure a better distribution of tax burden among taxpayers. The revised rates range from 10% on the first \$2,000 of taxable income to 28% on taxable income in excess of \$60,000. The 6% surtax that applied to provincial personal income tax from 1968 to 1971 has been eliminated.

¹ The province of Quebec has a family allowance program which supplements the federal program. The Quebec program provides for allowances which increase from \$30 per annum for a first child to a maximum of \$70 per annum for a sixth and each additional child. The Quebec program covers all children of less than eighteen years of age.

² The special deduction for a taxpayer aged 65 years and over was also \$650 under federal tax reform. It was raised to \$1,000 by the federal budget of May 8, 1972.

Corporation Income Tax

All provinces levy a tax on corporation profits derived from activities carried on within their jurisdictions. In provinces other than Quebec and Ontario, the provincial corporation income tax is imposed on the same base as that established for federal corporation income tax purposes; these provinces have entered into agreements with the federal government for the collection by the latter of their corporation income taxes. In Quebec and Ontario, the determination of corporation taxable income follows closely but not exactly the federal rules; the two provinces collect their own levy.

Quebec and Ontario revised their corporation income taxes to provide in 1972 for the taxation of half of capital gains and for the deduction of half of capital losses as well as to make other changes to maintain relative compatibility with the revised federal corporation income tax legislation. No changes were made in provincial corporation income tax rates in 1972.

Gift Taxes and Succession Duties

With the withdrawal of the federal government from the gift and inheritance tax field on January 1, 1972, all provinces with the exception of Alberta signified their intention to occupy some of the vacated area. Quebec, Ontario and British Columbia already had succession duties. These three provinces enacted gift tax laws and two of them, Quebec and Ontario, raised their succession duty rates. The six other provinces cooperated in the design of a succession duty and gift tax system having a relatively high degree of uniformity from province to province. The gift taxes and succession duties of these six provinces are collected by the federal government. Ontario and British Columbia collect their own succession duties but have their gift taxes collected by the federal government. Quebec collects its gift tax and succession duties.

Quebec, Ontario and British Columbia significantly broadened the various kinds of reliefs provided under their succession duty legislation in 1972. In Quebec all estates valued at \$100,000 or less and transmitted in direct line were relieved from succession duties. In Ontario estates valued at \$500,000 or less and transmitted to a spouse and all other estates valued at \$100,000 or less were relieved from succession duties (at the same time a credit against duty was provided to estates valued over \$500,000 and transmitted to a spouse which effectively cancels the duty liability on the first \$500,000 of value). In British Columbia a basic exemption of \$125,000 was provided for estates transmitted in direct line in addition to the exemptions already provided for homes and certain other assets.

TABLE 2. Income and Gift Taxes and Succession Duties levied by Provincial Governments

No.	Category	Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
Personal income tax:						
1	Statutory authority	The Income Tax Act; 1961 (2nd session), c. 1 and amendments.	The Income Tax Act; 1961 (2nd session), c. 1 and amendments.	The Income Tax Act; S.N.S. 1967, c. 134 and amendments.	The Income Tax Act; S.N.B. 1961 (2nd session), c. 2 and amendments.	The Provincial Income Tax Act; R.S.Q. 1964, c. 69 and amendments.
2	Basis	Federal personal income tax.	Federal personal income tax.	Federal personal income tax.	Federal personal income tax.	Taxable income of individuals (similar in concept to federal taxable income except for the absence of exemptions for dependent children of less than 18 years of age).
3	Rate	36.0%	36.0%	38.5%	41.5%	10% on first \$2,000 of taxable income \$ 200 on \$ 2,000 plus 11% on next \$ 1,000 310 " 3,000 " 12% " " 2,000 550 " 5,000 " 14% " " 2,000 830 " 7,000 " 16% " " 2,000 1,150 " 9,000 " 18% " " 2,000 1,510 " 11,000 " 20% " " 3,000 2,110 " 14,000 " 22% " " 10,000 4,310 " 24,000 " 24% " " 15,000 7,910 " 39,000 " 26% " " 21,000 13,370 " 60,000 " 28% on excess. In addition a special tax of 8/10 of 1% is levied on net income under the authority of the Health Insurance Act (1970 c. 37 and amendments). This tax is subject to a maximum of \$125 if at least 3/4 of net income is made up of salary and to a maximum of \$200 in other cases. Proceeds from the tax are used to help finance the provincial medical care program.
4	Comments					No tax is payable when net income does not exceed \$4,000 if married or \$2,000 if single.
Corporation income tax:						
5	Statutory authority	The Income Tax Act; 1961 (2nd session), c. 1 and amendments.	The Income Tax Act; 1961 (2nd session), c. 1 and amendments.	The Income Tax Act; S.N.S. 1967, c. 134 and amendments.	The Income Tax Act; S.N.B. 1961 (2nd session), c. 2 and amendments.	The Corporation Tax Act; R.S.Q. 1964, c. 67 and amendments.
6	Basis	Taxable income of corporations.	Taxable income of corporations.	Taxable income of corporations.	Taxable income of corporations.	Taxable income of corporations.
7	Rate	13.0%	10.0%	10.0%	10.0%	12.0%
8	Comments					A tax of 1/5 of 1% is levied on the paid-up capital of all corporations; places of business are taxable at flat rates ranging from \$25 to \$50. Other rates and/or bases of taxation apply to certain classes of corporations (i.e., insurance, loan, navigation, telegraph, telephone, railway, natural gas, electricity, gasoline, liquor, brewery and various public utility companies). Under a separate statute, corporations investing during the period April 1, 1971 to March 31, 1974 more than \$150,000 of their profits in designated areas in new technological processes or in the production of goods not yet produced in Quebec can benefit from tax credits ranging from 50% to 100% of the amounts invested.
Gift taxes:						
9	Statutory authority	(Not available at time of writing.)	The Gift Tax Act; S.P.E.I. 1972, c. 19.	An Act to Provide for Gift Tax; S.N.S. 1972, c. 9.	(Not available at time of writing.)	(Not available at time of writing.)
10	Basis	Aggregate taxable value of gifts made in the year.	Aggregate taxable value of gifts made in the year.	Aggregate taxable value of gifts made in the year.	Aggregate taxable value of gifts made in the year.	Aggregate taxable value of gifts made in the year.
11	Rates	Graduated from 15% on gifts up to \$25,000 to 50% on gifts exceeding \$200,000.	Graduated from 15% on gifts up to \$25,000 to 50% on gifts exceeding \$200,000.	Graduated from 15% on gifts up to \$25,000 to 50% on gifts exceeding \$200,000.	Graduated from 15% on gifts up to \$25,000 to 50% on gifts exceeding \$200,000.	Graduated from 15% on gifts up to \$25,000 to 50% on gifts exceeding \$200,000.

TABLE 2. Income and Gift Taxes and Succession Duties levied by Provincial Governments


Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	No.
The Income Tax Act; R.S.C. 1970, c. 317 and amendments.	The Income Tax Act (Manitoba); R.S.M. 1970, c. 1, 10 and amendments.	The Income Tax Act; S.S. 1965, c. 62 and amendments.	The Alberta Income Tax Act; R.S.A. 1970, c. 182. and amendments.	The Income Tax Act; 1962, c. 27 and amendments.	1
Federal personal income tax.	Federal personal income tax.	Federal personal income tax.	Federal personal income tax.	Federal personal income tax.	2
39.565% 	42.5%	37.0%	36.0%	30.5%	3
The rate applicable for 1973 reflects a provincial tax cut of 3%.					4
The Corporation Tax Act; R.S.C. 1970, c. 91 and amendments.	The Income Tax Act (Manitoba); R.S.M. 1970, c. 1, 10 and amendments.	The Income Tax Act; S.S. 1965, c. 62 and amendments.	The Alberta Income Tax Act; R.S.A. 1970, c. 182. and amendments.	The Income Tax Act; 1962, c. 27 and amendments.	5
Taxable income of corporations.	Taxable income of corporations.	Taxable income of corporations.	Taxable income of corporations.	Taxable income of corporations.	6
12.0%	13.0%	11.0%	11.0%	10.0%	7
A tax of 1/10 of 1% is levied on the paid-up capital of all corporations.					8
Other rates and/or bases of taxation apply to certain classes of corporations, i.e., banks, telegraph, pipelines, airlines, insurance, railway and other transportation companies.					
A tax credit is available equal to 25% of qualifying investment in machinery and equipment purchased and used in Ontario during the period April 26, 1971 to March 31, 1973.					
The Gift Tax Act; S.C. 1971, c. 12.	The Gift Tax Act; S.M. 1972, c. G55.	The Gift Tax Act; S.S. 1972, c. 48.		Gift Tax Act; S.B.C. 1972, c. 23.	9
Aggregate taxable value of gifts made in the year.	Aggregate taxable value of gifts made in the year.	Aggregate taxable value of gifts made in the year.		Aggregate taxable value of gifts made in the year.	10
Graduated from 15% on gifts up to \$25,000 to 50% on gifts exceeding \$200,000.	Graduated from 15% on gifts up to \$25,000 to 50% on gifts exceeding \$200,000.	Graduated from 15% on gifts up to \$25,000 to 50% on gifts exceeding \$200,000.		Graduated from 15% on gifts up to \$25,000 to 50% on gifts exceeding \$200,000.	11

TABLE 2. Income and Gift Taxes and Succession Duties levied by Provincial Governments - Concluded

No.	Category	Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
Gift taxes - Concluded:						
1	Exemptions	<p>Gifts up to \$5,000 a year to a spouse and up to \$2,000 a year to any other donee with an aggregate annual maximum of \$15,000.</p> <p>Gifts to Canadian charitable organizations or to any government in Canada.</p> <p>Testamentary gifts and gifts taking effect on the death of the donor.</p>	<p>Gifts up to \$5,000 a year to a spouse and up to \$2,000 a year to any other donee with an aggregate annual maximum of \$15,000.</p> <p>Gifts to Canadian charitable organizations or to any government in Canada.</p> <p>Testamentary gifts and gifts taking effect on the death of the donor.</p>	<p>Gifts up to \$5,000 a year to a spouse and up to \$2,000 a year to any other donee with an aggregate annual maximum of \$15,000.</p> <p>Gifts to Canadian charitable organizations or to any government in Canada.</p> <p>Testamentary gifts and gifts taking effect on the death of the donor.</p>	<p>Gifts up to \$5,000 a year to a spouse and up to \$2,000 a year to any other donee with an aggregate annual maximum of \$15,000.</p> <p>Gifts to Canadian charitable organizations or to any government in Canada.</p> <p>Testamentary gifts and gifts taking effect on the death of the donor.</p>	<p>Gifts up to \$5,000 a year to a spouse. Gifts up to \$2,000 a year to any other donee with an aggregate annual maximum of \$10,000.</p> <p>Once-in-a-lifetime exemption of \$25,000 for any farmer making an inter vivos gift of his land or other farm property to one or more of his children.</p> <p>Gifts to Canadian charitable organizations or to any government in Canada.</p> <p>Testamentary gifts and gifts taking effect on the death of the donor.</p>
Succession duties:						
2	Statutory authority	(Not available at time of writing.)	The Succession Duty Act; S.P.E.I. 1972, c. 45.	An Act Respecting Succession duties; S.N.S. 1972, c. 17.	(Not available at time of writing.)	The Succession Duties Act; R.S.Q. 1964; c. 70 and amendments.
3	Basis	Net value of property passing at death.	Net value of property passing at death.	Net value of property passing at death.	Net value of property passing at death.	Net value of property passing at death.
4	Rates	Graduated from \$7,000 on the first \$50,000 of aggregate net value plus 18% on the next \$10,000 to 50% on aggregate net value in excess of \$300,000.	Graduated from 10% on the first \$10,000 of aggregate net value to 50% on aggregate net value in excess of \$300,000.	Graduated from 10% on the first \$10,000 of aggregate net value to 50% on aggregate net value in excess of \$300,000.	Graduated from 10% on the first \$10,000 of aggregate net value to 50% on aggregate net value in excess of \$300,000.	<p>On estate:</p> <p>Direct line - 1.8% to 15%</p> <p>Collateral line - 4% to 20%</p> <p>Strangers - 10% to 30%</p> <p>On individual's share in estate:</p> <p>Direct line - 1% to 10%</p> <p>Collateral line - 1% to 10%</p> <p>Strangers - 2% to 5%.</p> <p>A surtax of 25% is applicable to the above succession duties in 1972.</p>
5	Estates not subject to duties (all other estates are fully dutiable)	<p>Estates valued at \$500,000 or less passing to a surviving spouse.</p> <p>All estates valued at \$50,000 or less.</p>	<p>Estates valued at \$500,000 or less passing to a surviving spouse.</p>	<p>Estates valued at \$500,000 or less passing to a surviving spouse.</p>	<p>Estates valued at \$500,000 or less passing to a surviving spouse.</p>	<p>Estates valued at \$100,000 or less where entirely transmitted in direct line; where estates are entirely transmitted in direct line and their value exceeds \$100,000, succession duties must not lower their value below \$100,000; where parts of estates are transmitted in direct line and where the value of any such part exceeds \$100,000, succession duties must not lower the values of the parts below \$100,000.</p>
6	Exemptions	<p>\$10,000 for each child or grandchild plus an additional \$1,000 for each year that he or she is under 26 years of age (for each year under 71 years of age in the case of an infirm child or grandchild).</p> <p>Bequests to Canadian charitable organizations.</p> <p>Survivor benefits under the Canada and Quebec Pension Plans.</p> <p>Individual bequests of \$1,000 or less.</p>	<p>\$10,000 for each child or grandchild plus an additional \$1,000 for each year that he or she is under 26 years of age (for each year under 71 years of age in the case of an infirm child or grandchild).</p> <p>Bequests to Canadian charitable organizations.</p> <p>Survivor benefits under the Canada and Quebec Pension Plans.</p> <p>Individual bequests of \$1,000 or less.</p>	<p>\$10,000 for each child or grandchild plus an additional \$1,000 for each year that he or she is under 26 years of age (for each year under 71 years of age in the case of an infirm child or grandchild).</p> <p>Bequests to Canadian charitable organizations.</p> <p>Survivor benefits under the Canada and Quebec Pension Plans.</p> <p>Individual bequests of \$1,000 or less.</p>	<p>\$10,000 for each child or grandchild plus an additional \$1,000 for each year that he or she is under 26 years of age (for each year under 71 years of age in the case of an infirm child or grandchild).</p> <p>Bequests to Canadian charitable organizations.</p> <p>Survivor benefits under the Canada and Quebec Pension Plans.</p> <p>Individual bequests of \$1,000 or less.</p>	<p>Amounts derived from contributions toward a pension plan and reimbursements of contributions toward such a plan.</p> <p>Bequests to Canadian charitable organizations.</p>

TABLE 2. Income and Gift Taxes and Succession Duties levied by Provincial Governments - Concluded

Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	No.
<p>All gifts to a spouse without limitation as to amount. Gifts up to \$2,000 a year to any other donee with an aggregate annual maximum of \$10,000.</p> <p>Gifts to Canadian charitable organizations or to any government in Canada.</p> <p>Testamentary gifts and gifts taking effect on the death of the donor.</p>	<p>Gifts up to \$5,000 a year to a spouse and up to \$2,000 a year to any other donee with an aggregate annual maximum of \$15,000.</p> <p>Gifts to Canadian charitable organizations or to any government in Canada.</p> <p>Testamentary gifts and gifts taking effect on the death of the donor.</p>	<p>Gifts up to \$5,000 a year to a spouse and up to \$2,000 a year to any other donee with an aggregate annual maximum of \$15,000.</p> <p>Gifts to Canadian charitable organizations or to any government in Canada.</p> <p>Testamentary gifts and gifts taking effect on the death of the donor.</p>		<p>Gifts up to \$10,000 a year to a spouse.</p> <p>Gifts to any other donee up to \$2,000 a year with an aggregate annual maximum of \$10,000.</p> <p>Once-in-a-lifetime exemption of up to \$10,000 in respect of an interest in real property to a child if such property is to be used in farming operations.</p> <p>Gifts to charitable organizations and to any government in Canada.</p> <p>Testamentary gifts and gifts taking effect on the death of the donor.</p>	1
The Succession Duty Act; S.O. 1970, c. 449 and amendments.	The Succession Duty Act; S.M. 1972, c. S215	The Succession Duty Act; S.S. 1972, c. 124.		Succession Duty Act; S.B.C. 1960, c. 27 and amendments.	2
Net value of property passing at death.	Net value of property passing at death.	Net value of property passing at death.		Net value of property passing at death.	3
<p>On estate:</p> <p>Direct line - 10% to 28%</p> <p>Collateral line - 24% to 34%</p> <p>Strangers - 35% to 70%</p> <p>On individual's share in estate:</p> <p>Direct line - 5% to 30%</p> <p>Collateral line - 6.4% to 26%</p> <p>Strangers - nil.</p>	<p>Graduated from 10% on the first \$10,000 of aggregate net value to 50% on aggregate net value in excess of \$300,000.</p>	<p>Graduated from 7% on the first \$50,000 of aggregate net value plus 18% on the next \$10,000 to 50% on aggregate net value in excess of \$300,000.</p>		<p>On individual's share in estate:</p> <p>Direct line (special beneficiaries) - 10% to 36%</p> <p>Collateral line - 8% to 38%</p> <p>Strangers - 13 1/4% to 40%.</p>	4
<p>Estates valued at \$500,000 or less passing to a surviving spouse.</p> <p>All estates valued at \$100,000 or less.</p>		All estates valued at \$50,000 or less.			5
<p>Any estate valued at more than \$500,000 passing to a surviving spouse is eligible for a duty credit of \$125,000 plus \$1,500 for each dependent child.</p> <p>Bequests to Canadian charitable organizations.</p>	<p>\$200,000 if estate is transmitted to preferred successors that include a spouse.</p> <p>\$150,000 if estate is transmitted to preferred successors that do not include a spouse.</p> <p>An additional \$1,000 for each year that an infirm child is under 71 years of age.</p> <p>Up to \$25,000 for collateral successors to the extent that the \$150,000 preferred successors exemption has not been fully "used up".</p> <p>Charitable bequests up to 20% of the aggregate value of property passing at death or 50% of the aggregate net value of such bequests or any unused portion of the \$150,000 preferred successors exemption.</p> <p>Bequests to any government in Canada.</p> <p>Survivor benefits under the Canada and Quebec Pension Plans.</p> <p>Individual bequests of \$1,000 or less.</p>	<p>\$200,000 if estate is transmitted to preferred successors that include a spouse.</p> <p>\$150,000 if estate is transmitted to preferred successors that do not include a spouse.</p> <p>An additional \$1,000 for each year that an infirm child is under 71 years of age.</p> <p>Up to \$25,000 for collateral successors to the extent that the \$150,000 preferred successors exemption has not been fully "used up".</p> <p>Bequests to Canadian charitable organizations and to any government in Canada.</p> <p>Survivor benefits under the Canada and Quebec Pension Plans.</p> <p>Individual bequests of \$1,000 or less.</p>		<p>\$125,000 if estate is transferred to special beneficiaries plus additional exemptions for family home of any value, insurance up to \$25,000, annuity or pension payments up to \$250 a month. (In no event can the exemption for this class be less than \$150,000.)</p> <p>Up to \$25,000 if property is transmitted to collateral beneficiaries.</p> <p>Up to \$10,000 if property is transmitted to strangers.</p>	6

PART II
GENERAL SALES TAXES

GENERAL SALES TAXES

The Federal government imposes a general sales tax on the sale price of goods manufactured in Canada and on the duty-paid value of imported commodities. This tax is payable by the manufacturer at the time of delivery to the purchaser or when the property in the goods passes or by the importer at the time of importation. On most commodities, the rate of tax is 12%; it is 11% on a wide range of building materials. Full exemption is allowed on raw materials, production machinery, processing materials, and a number of designated consumption goods as well as on specified categories of institutional purchasers.

Certain changes were made in federal tax legislation in 1972. Effective May 9, eyeglasses, contact lenses, and research equipment bought by manufacturers to test or develop new products or processes became exempt from the levy. Effective the same date, articles manufactured by persons in institutions for the blind, deaf or mentally retarded were completely relieved of the impost (they had previously been taxable at half the normal rate).

All provinces, except Alberta, impose a retail sales tax on a broad range of consumer goods and services. The rates vary from 5% in Ontario, Manitoba, Saskatchewan and British Columbia, to 7% in Newfoundland and Nova Scotia, and 8% in Prince Edward Island, New Brunswick and Quebec.

The main changes introduced in 1972 in provincial sales taxation were as follows:

- (a) in Nova Scotia, transient accommodation, e.g., hotel and motel room rental became subject to tax effective March 30;
- (b) in Quebec, production machinery and equipment became completely exempt effective April 19;
- (c) in Ontario, the exemption for draught beer was cancelled and the beverage became taxable at 10% effective April 17;
- (d) in Manitoba, an exemption was provided for specialized safety clothing; production machinery and equipment other than farm machinery and equipment ceased to be exempt; the exemption for aircraft normally engaged in foreign or interprovincial trade was cancelled (they became taxable on the basis of mileage of use within Manitoba); the exemption for commercial vessels of more than 200 tons gross was cancelled; the rate of tax on spirits, wines and imported beer was raised from 5% to 10%; all changes became effective May 1 except for the increase in the rate of tax applicable to alcoholic beverages which took effect on June 1;
- (e) in Saskatchewan, an exemption was provided for meals of less than \$2.51 effective April 1.

Details about the general sales taxes of the federal and provincial governments are given in Table 3 in a new format designed to enhance interprovincial comparability.

TABLE 3. General Sales Taxes levied by the Federal and Provincial Governments

No.		Federal	Newfoundland	Prince Edward Island	Nova Scotia
1	Statutory authority	Excise Tax Act; (Part V), R.S. 1970, c. E13 and amendments.	The Social Security Assessment Act; 1963, c. 83 and amendments.	The Revenue Tax Act; 1960, c. 36 and amendments.	Health Services Tax Act; R.S. 1967, c. 126 and amendments.
2	Basis	Manufacturer's selling price or duty - paid value of imports.	Retail price.	Retail price.	Retail price.
3	Rate	12%; special rate of 11% on most building materials.	7%	8% <i>up in 1970</i>	7% <i>up in 1970</i>
	Exemptions:				
	Commercial fisheries:				
4	Boats	X	X	X	X
5	Equipment and apparatus	L ¹	X	X	X
	Educational and religious:				
6	School text books	X	X	X	X
7	Bibles	X	-	X	X
8	Other books	X	-	-	X
9	Newspapers	X	L ³	1	X
10	Periodicals, subscriptions	X	-	X	X
11	Periodicals, over the counter	X	-	-	-
12	Classroom supplies	L ¹	-	X	X
13	Sales to churches	L ¹	-	L ⁴	L ³
	Farming:				
14	Farm produce	X	2	2	2
15	Farm equipment and implements	X	X	X	X
16	Feed, seed, fertilizer	X	X	X	X
17	Insecticides	X	X	X	X
18	Weed killers	X	-	X	X
19	Fungicides	X	X	X	X
20	Fruit trees	X	X	X	X
21	Livestock	X	X	X	X
	Food and drink:				
22	Food	X	X	X	X
23	Candy	-	-	-	-
24	Soft drinks	-	-	X	-
25	Meals	N/A	-	L ⁵	L ⁵
26	Beer	-	-	-	-
	Fuels and electricity:				
27	Firewood	X	X	X	X
28	Coal	X	-	X	X
29	Fuel oil (heating)	X	X	X	X
30	Gas (heating, cooking, etc.)	X	-	X	X
31	Electricity	X	-	X	S ⁶
32	Gasoline subject to motive fuel tax	-	S ⁷	S ⁷	S ⁷

See footnote(s) at end of table.

TABLE 3. General Sales Taxes levied by the Federal and Provincial Governments

New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	British Columbia	No.
Social Services and Education Tax Act; S.N.B. 1962, c. 213 and amendments.	Retail Sales Tax Act; R.S.Q. 1964, c. 71 and amendments.	The Retail Sales Tax R.S.O. 1970, c. 415 and amendments.	The Revenue Tax Act; R.S.M. 1970, c. R150 and amendments.	The Education and Health Tax Act; S.S. 1965, c. 66 and amendments.	Social Services Tax Act; S.B.C. 1960, c. 361 and amendments.	1
Retail price.	Retail price and rent of tangible personal property.	Retail price and rent of tangible personal property.	Retail price.	Retail price and rent of tangible personal property.	Retail price.	2
<i>up in 1970 from 6%</i>	8%	5%	5%	5%	5%	3
X	X	X	X	—	X	4
X	X	X	X	L ²	X	5
X	X	X	X	X	X	6
X	X	X	X	X	X	7
X	X	X	X	—	—	8
X	X	X	X	X	X	9
X	X	X	X	X	X	10
—	X	X	X	—	X	11
X	X	X	—	—	X	12
L ⁴	X	X	—	—	—	13
X	X	X	X	X	X	14
X	X	X	X	X	X	15
X	X	X	X	X	X	16
X	X	X	X	X	X	17
X	X	X	X	X	X	18
X	X	X	X	X	X	19
X	X	X	X	X	X	20
X	X	X	X	X	X	21
X	X	X	X	X	X	22
—	—	—	—	—	X	23
—	—	—	X	X	X	24
E ⁶	S ¹	S ²	L ⁶	L ⁷	X	25
—	S ³	S ⁴	S ⁵	—	S ⁴	26
X	X	X	X	X	X	27
X	X	X	X	X	X	28
X	X	X	—	X	S ⁶	29
—	—	X	X	X	—	30
X	—	X	X	L ⁸	—	31
S ²	S ⁷	S ⁷	S ⁷	S ⁷	S ⁷	32

TABLE 3. General Sales Taxes levied by the Federal and Provincial Governments - Concluded

No.		Federal	Newfoundland	Prince Edward Island	Nova Scotia
Exemptions - Concluded:					
Health:					
1	Drugs and medicines on prescription	X	X	X	X
2	Other drugs and medicines	X	-	-	X
3	Orthopaedic appliances, etc.	X	X	X	X
Production machinery and processing materials:					
4	Physical ingredients	X	X	X	X
5	Industrial machinery	X	L ⁹	X	X
6	Processing materials	X	L ¹⁰	X	X
7	Purchases by municipalities	L ¹	-	L ¹	X
Transportation equipment:					
8	Railway rolling stock	L ¹⁴	X	X	X
9	Other railway supplies	-	-	-	-
10	Commercial vessels	L ¹⁷	L ¹⁸	L ¹⁹	L ¹⁹
11	Commercial aircrafts	L ¹⁹	-	L ¹⁵	L ¹⁵
Miscellaneous:					
12	Sales to federal government	-	X	X	X
13	Sales to provinces.....	X	-	-	X
14	Sales for exportation or out of province delivery	X	X	X	X
15	Children's clothing	-	X	X	X
16	Building materials	S ⁸	-	-	-
Services subject to tax:					
17	Hotel and motel room rental	N/A	TS	TS	TS
18	Telephone services	N/A	TS	TS	
19	Long distance telephone calls	N/A	TS		S ⁶
20	Other telecommunications	N/A	TS		
21	Repairs	N/A	TS	TS	
22	Laundry and dry-cleaning	N/A	TS	TS	
23	Printing, photography, microfilming, etc.	TS			

Legend:

X: Unqualified exemption.
L: Limited exemption.
S: Subject to special rate or taxed under a separate statute.
-: not exempt.
TS: taxable service.

Specific references:

L¹: Exemption limited to certain designated goods.
L²: Exemption limited to fishing nets, which are unconditionally exempt.
L³: Exempt when published within the province.
L⁴: Rebate on purchases entering into capital investment.
L⁵: Exempt under \$1.01.
L⁶: Exempt under \$2.01.
L⁷: Exempt under \$2.51.
L⁸: Exempt when used for heating.
L⁹: Specific exemptions to railways, mines, shipyards and pulp and paper companies, for installation and expansion of plant and equipment.
L¹⁰: All purchases of manufacturers partially exempt to the extent that their sales are made for out-of-province delivery.
L¹¹: Exemption limited to catalysts or direct agents.
L¹²: Exemption limited to a rebate on purchases entering into capital investment and to certain equipment for roads and fire fighting.
L¹³: Exemption limited to insecticides, fungicides and herbicides for roadways or road allowances and to electricity for street lighting, fire protection, street railway operation, sewage disposal, pumping and manufacturing.

TABLE 3. General Sales Taxes levied by the Federal and Provincial Governments - Concluded

New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	British Columbia	No.
X	X	X	X	X	X	1
-	-	-	X	X	-	2
X	X	X	X	X	X	3
X	X	X	X	X	X	4
X	X	-	-	-	-	5
L ¹¹	L ¹⁰	X	X	X	L ¹¹	6
-	-	L ¹²	-	L ¹³	-	7
X	-	X	X	X	L ¹⁵	8
-	-	-	-	L ¹⁶	-	9
L ¹⁹	X	L ²⁰	-	-	L ²⁰	10
L ¹⁷	L ²¹	L ¹⁵	L ²¹	-	L ²¹	11
X	X	X	X	X	X	12
-	X	-	-	-	-	13
X	X	X	X	X	X	14
X	X	X	X	-	X	15
X	-	-	-	-	-	16
TS	S ⁶	TS	TS	TS	S ⁶	17
TS		TS	L ²²	TS	TS	18
TS	S ⁶	TS	L ²²	TS	TS	19
TS	S ⁶	TS	TS	TS		20
			TS			21
TS			TS			22
			TS			23

Specific references - Concluded:

- L¹⁴: Exempt when used exclusively for international trade.
 L¹⁵: Exempt when used for interprovincial or foreign trade.
 L¹⁶: Exemption limited to rails and ties.
 L¹⁷: Exempt when licensed to engage in the Canadian coasting trade.
 L¹⁸: Exempt over 300 tons.
 L¹⁹: Exempt when normally operating in extra-territorial waters.
 L²⁰: Exempt over 500 tons gross.
 L²¹: Partially exempt on the basis of mileage of use within the province.
 L²²: Exempt under 46¢.
 S¹: Meals are not subject to the general retail sales tax in Quebec, but to a separate tax imposed under the Meals and Hotels Tax Act at the same rate as the general retail sales tax.
 S²: Special rate of 10% on meals over \$2.50; meals \$2.50 and under are exempt.
 S³: All beer is subject to a special tax in lieu of sales tax.
 S⁴: Bottled beer is subject to sales tax at the rate of 5% and draught beer is subject to a special rate of 10%.
 S⁵: Imported beer is subject to a special rate of 10% (as well as spirits and wines).
 S⁶: Taxed under a separate statute - See Table 5 "Miscellaneous Provincial Taxes".
 S⁷: Motive fuels are taxed separately in all provinces - See Table 5 "Miscellaneous Provincial Taxes".
 S⁸: Special rate of 11% on most building materials.

¹ In practice, newspapers are not taxed because they sell for prices less than the amount of the small sale exemption.

² In practice, almost all such sales consist of foods and other goods specifically exempt.

³ Tax not paid by Canadian National Railways.

PART III

OTHER IMPORTANT TAXES LEVIED
BY THE FEDERAL AND
PROVINCIAL GOVERNMENTS

THE

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CHICAGO

OTHER IMPORTANT TAXES LEVIED BY THE FEDERAL AND PROVINCIAL GOVERNMENTS

The federal government imposes customs duties on most imported commodities under the authority of the Customs tariff; R.S.C. 1970, c. 41 and amendments. The rates are mainly ad valorem although a few are of the specific amount variety. There are three categories of rates: (a) British preferential, which are the lowest (b) most-favoured-nations, which are established under special agreements with various countries and (c) general, which apply to imports from all other countries. The tariff schedules are too lengthy and complex to be summarized in this publication. The rates pertaining to particular items may be obtained upon request from the Customs and Excise Branch of the Department of National Revenue.

The federal government, under the provisions of the Excise Act, also levies excise duties on alcoholic beverages (other than wines) and tobacco products. In addition, it imposes, under the authority of the Excise Tax Act, special excise taxes on a number of specific goods, including tobacco products and wines, as well as a special tax on certain insurance premiums. Details pertaining to these duties and taxes are provided in Table 4.

Provincial governments resort extensively to the taxation of admissions to places of amusement, motive and other fuels, motor vehicle registrations and driving permits, insurance premiums, mining operations, race track betting, and tobacco products. Five provinces and the Yukon levy premiums and one province imposes a payroll tax to help finance their hospitalization and medical care programs. Individual provinces impose special taxes on alcoholic beverages, land and security transfers, meals and lodging, telecommunications and logging operations; in other provinces, some of these items are subjected instead to general sales taxation. Details pertaining to these levies are provided in Table 5.

All provincial governments derive substantial amounts of revenue through the sale of alcoholic beverages by provincial agencies operating as boards or commissions which exercise monopolistic control over the distribution of these products. The mark-ups of these liquor boards and agencies effectively constitute a kind of taxation. The mark-ups are not publicized and thus are not reported in this publication.¹ In certain provinces beer and/or wine may be sold by private retailers as well as by liquor board or commission outlets. In all instances, however, the sale of similar products contributes equally to provincial revenue.

A number of changes were made in the above-mentioned areas of provincial taxation in 1972. Newfoundland doubled the rates of its levy on tobacco products effective June 1. Nova Scotia raised its mark-ups on alcoholic beverages effective March 30. Quebec repealed its security transfer tax effective April 19. Ontario increased the rates of its tax on gasoline and diesel fuel and various rates of its levy on tobacco products effective March 29; it raised its fees for motor vehicle registrations effective December 1, for passenger vehicles and March 1, 1973 for commercial vehicles as well as its charges for certain licences and permits including drivers' licences; it abolished its fire marshal's tax and increased the rate of its impost on insurance premiums effective January 1; it repealed its logging tax effective March 31 and combined its premiums for hospitalization and medicare effective April 1; it also raised its mark-ups on alcoholic beverages effective April 17. The Yukon imposed a fire prevention tax effective April 25 and began collecting health care premiums on April 1.

¹ For information on the revenue obtained by the provinces from the sale of alcoholic beverages, refer to *The Control and Sale of Alcoholic Beverages in Canada* (Catalogue 63-202).

TABLE 4. Excise Duties and Excise Taxes levied by the Federal Government

Category	Statutory authority	Item and basis	Rate		Exemptions, deductions, tax credits, etc.
Excise duties	Excise Act; R.S. 1970, c. E12 and amendments.	Tobacco ¹ — on domestic production:			These duties on alcoholic beverages and tobacco products are not levied on imports but the customs tariff rates applicable thereon are set to take account of the duties levied on domestic production.
		Manufactured tobacco excluding cigarettes	per pound	35¢	
		Cigarettes weighing not more than 3 lbs. per 1,000	per 1,000	\$4.00	
		Cigarettes weighing more than 3 lbs. per 1,000	"	\$5.00	
		Cigars	"	\$2.00	
		Canadian raw leaf tobacco when sold for consumption	per pound	10¢	These duties do not apply to denatured alcohol for use in the arts and industries, nor for fuel, light or power for any mechanical purpose, nor do they apply to spirits used in the manufacture of vinegar, to certain spirits used to treat domestic wine, and to spirits used in the manufacture of toilet preparations or cosmetics subject to special excise tax. The Customs Tariff applies equivalent duties on imports.
		Alcoholic products:			
		Domestic potable spirits on the strength of proof distilled in Canada	per proof gal.	\$14.25	
		Non-potable spirits used in the manufacture of:			
		Medicines, extracts, pharmaceutical preparations, etc.	"	\$1.50	
		Approved chemical compositions	"	15¢	
		Spirits sold to druggists and used in preparation of prescriptions	"	\$1.50	
		Imported spirits taken into bonded manufactory, in addition to other duties	"	30¢	
		Canadian brandy	"	\$12.25	
		Beer	per gallon	42¢	
Excise taxes	Excise Tax Act; (Part II, R.S. 1970, c. E13 and amendments.	Insurance companies:			Excluding insurance against marine risks, nuclear risks and life, personal accident or sickness insurance.
		British or foreign companies not authorized to transact business in Canada, or non-resident agents of authorized British or foreign companies.	net premium	10%	
	Excise Tax Act; (Parts IV and V), R.S. 1970, c. E13 and amendments.	Jewellery, clocks, watches	ad valorem ²	10%	The Budget Speech of June 18, 1971, announced the repeal of the special excise tax on radios, phonographs, record players, television sets, electron tubes and cathode ray tubes for T.V. sets effective June 19, 1971.
		Toilet articles and cosmetics	"	10%	
		Playing cards	per pack	20¢	
		Coin-operated amusement devices	ad valorem	10%	
		Tobacco and smoker's accessories:			
		Cigarettes	per 5	3¢	Excluding imports. Customs duties on imports are set to take into account the taxes levied on domestic production of wines.
		Cigars	ad valorem	17½%	
		Matches	"	10%	
		Lighters	per unit	10¢	
		Cigarette holders, pipes, etc.	ad valorem	10%	
		Tobacco — manufactured	per pound	90¢	
		Wines:			
		Wines of all kinds containing 7% or less of absolute alcohol by volume	per gallon	25¢	
		Non-sparkling wines containing more than 7% of absolute alcohol by volume but not over 40% of proof spirits	"	50¢	
		Champagne and sparkling wines	"	\$2.50	
		Additional levy on wines:			This levy applies equally to domestic and imported wines.
		Wines of all kinds containing 7% or less of absolute alcohol by volume	per gallon	2½¢	
		All other wines	"	5¢	

¹ Bringing together the taxes imposed on tobacco products under the Excise Tax Act and the duties imposed under the Excise Act, the total taxes on the following tobacco products are:

Cigarettes — \$10.00 per thousand (or 20¢ per pack of 20 cigarettes) plus the 12% sales tax on the manufacturer's sale price including excise duty.

Manufactured tobacco — \$1.25 per pound plus the 12% sales tax on the manufacturer's sale price including excise duty.

Cigars — \$2.00 per thousand plus the 17½% excise tax and the 12% sales tax on the manufacturer's sale price including excise duty.

² An "ad valorem" tax is levied as a percentage of the value of the goods, which, for tax purposes, includes customs duties in respect of imported goods and excise duties in the case of tobacco and alcoholic products manufactured in Canada. Where an article is subject to the general sales tax and to the excise tax, both taxes apply separately to the same value.

Table 5. Miscellaneous Provincial Taxes

No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
Amusement taxes						
1	Statutory authority	—	The Entertainments Act, 1971, c. 13 and amendment.	Theatres and Amusements Act; S.N.S. 1967, c. 304 and regulations.	Theatres, Cinematographs and Amusements Act; S.N.B. 1952, c. 228 and amendments.	—
2	Basis	—	Admission price	Admission price	Admission price	—
3	Rate	—	From: 31¢- 40¢ 2¢ 41¢- 45¢ 3¢ 46¢- 60¢ 5¢ 61¢- 75¢ 7¢ 76¢-\$1.00 10¢ over \$1.00 5¢ extra for each additional 50¢ or fraction thereof.	From: 56¢- 70¢ 5¢ 71¢-\$1.00 10¢ over \$1.00 5¢ extra for each additional 50¢ or fraction thereof.	Theatre rates: Up to 25¢ 2¢ From 25¢ to 30¢ 3¢ " 31¢ " 40¢ 4¢ " 41¢ " 45¢ 5¢ " 46¢ " 50¢ 6¢ " 51¢ " 60¢ 7¢ " 61¢ " 70¢ 8¢ " 71¢ " 80¢ 9¢ " 81¢ " 90¢ 10¢ " 91¢ " \$1.00 11¢ over \$1.00 11%	—
4	Exemptions and comments	—	Church, school and municipal functions and tickets costing up to 30¢ are exempt.	—	Other amusements rates: Up to 25¢ 2¢ from 26¢ to 50¢ 5¢ from 51¢ to \$1.00 10¢ and 5¢ for each additional 50¢ or fraction thereof in excess of \$1.00. Exemptions: Certain functions such as school entertainment, agricultural fairs, etc.	—
Motive and other fuel taxes						
5	Statutory authority	The Gasoline Tax Act; 1962, c. 55 and amendments. The Fuel Oil Tax Act; 1962, c. 76.	The Gasoline Tax Act; 1971, c. 15 and amendments.	Gasoline and Diesel Oil Tax Act; S.N.S. 1967, c. 116 and amendments.	Gasoline and Motive Fuel Tax Act; 1965, c. 3 and amendments.	Gasoline Tax Act; R.S.Q. 1964, c. 74 and amendments.
6	Basis	Per gallon	Per gallon	Per gallon	Per gallon	Per gallon
7	Rate	Motor fuel - 25¢ Fuel oil - 1¢	Gasoline - 21¢ Diesel fuel - 25¢	Gasoline - 21¢ Diesel fuel - 27¢	Gasoline - 20¢ Motor fuel - 23¢ Aircraft fuel - 3¢	Gasoline - 19¢ Diesel fuel - 25¢ Aviation - 3¢
8	Exemptions and comments	Exemptions include gasoline used by government departments, municipalities, members of the Diplomatic Corps and aircraft in all motorized equipment (except trucks and automobiles) used for agricultural purposes; in tractors, powersaws, and sawmills used for logging purposes; in fish processing plants, certain manufacturing plants, vessels and boats used in trade, plants to generate electricity and household appliances; as a household fuel; for the exploration and development of minerals up to the point of production and for export from the province. Exemptions include fuel oil used by vessels except pleasure boats, tugs, dredges and scows, also fuel oil used for domestic purposes or in institutions, commercial buildings and manufacturing plants, and for export from the province.	Aviation fuel and the fuel used in offshore fishing fleet exempted. Holders of valid permits issued by provincial treasurer may purchase marked gasoline and/or diesel fuel tax free. Rate on diesel fuel is effective April 19, 1972.	The use of marked gasoline is restricted to industry.	Fuel used by fishermen and farmers is exempt as is fuel used other than in motor vehicles on public highways (except in repair and construction of bridges and roads). Marked gasoline may be used by farm trucks that are unlicensed and used exclusively off the highway. Refund on aircraft fuel used by a flying club in its student training program, effective April 5, 1972.	Full tax refunds are allowed on gasoline used in the operation of farm tractors, and fishing boats used in trade. Refunds of part of the tax are allowed on gasoline used in stationary engines (except gasoline used by farmers and fishermen), pumps to fight forest fires, aerial navigation and as an ingredient of manufactured products.

TABLE 5. Miscellaneous Provincial Taxes

Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.
-	The Amusements Act; S.M. 1970, c. A70 and amendments.	-	See: Race track tax section on page 39.	-	-	-	1
-	Admission price	-	-	-	-	-	2
-	Over \$1.00 10%	-	-	-	-	-	3
-	Admissions priced at \$1.00 or less are exempt effective May 1, 1972.	-	-	-	-	-	4
The Gasoline Tax Act; R.S.O. 1970, c. 166 and amendments. The Motor Vehicle Fuel Tax Act; R.S.O. 1970, c. 282 and amendments.	The Gasoline Tax Act; R.S.M. 1970, c. G40 and amendments. The Motive Fuel Tax Act; R.S.M. 1970, c. M220 and amendments.	The Fuel Petroleum Products Act; S.S. 1965, c. 67 and amendments.	The Fuel Oil Tax Act; R.S.A. 1970, c. 153 and amendments.	Gasoline Tax Act, 1948; S.B.C. 1960, c. 162 and amendments. Coloured Gasoline Tax Act; S.B.C. 1960, c. 63 and amendments. Motive Fuel Use Tax Act; S.B.C. 1960, c. 251 and amendments. Fuel Oil Tax Act; S.B.C. 1960, c. 158 and amendments.	Fuel Oil Tax Ordinance; 1968 (4th session), c. 2 and amendments.	Petroleum Products Tax Ordinance; R.O. 1956, c. 40 and amendments.	5
Per gallon <i>41¢ per 1971</i> Gasoline - 19¢ Diesel fuel - 25¢ Aviation - 3¢	Per gallon Clear gasoline - 17¢ Aircraft gasoline - 2¢ Motive fuel - 20¢ Special rates: Tanker - 1/3¢ Propane - 1¢ if used for commercial heating, and 17¢ if used for carburetion Coloured - 1¢ "Motive fuel" means any fuel not taxed under the Gasoline Tax Act. Exemptions are allowed on purple fuel used in operating agricultural machinery, farm trucks and municipal fire apparatus; and in trapping, fishing and prospecting. Total exemption on purple fuel for operation of municipal fire apparatus and lighting plants, hospital and agricultural machinery and domestic heating purposes. Partial or full refunds on other items as set out in the Act.	Per gallon Gasoline - 19¢ Diesel fuel - 21¢ Other fuels - 4¢ Purple gasoline and purple diesel fuel are exempt from tax when used on farms for agricultural purposes, but are subject to tax at 4¢ per gallon when used for any other purpose. Aviation fuels are subject to tax at 4¢ per gallon. Heating fuels and fuels not designed for use in any type of internal combustion engine are exempt from tax.	Per gallon Gasoline - 15¢ Diesel fuel - 17¢ Aviation - 3¢ Coloured - 3¢ Exemptions of 12¢ for gasoline and 14¢ for diesel fuel per gallon are allowed for industrial purposes, and for aircraft operations. Purple coloured fuels used in farming operations are exempt.	Per gallon Gasoline (clear) - 15¢ Aircraft gasoline - 3¢ Coloured gasoline - 3¢ Motive fuel - 17¢ Fuel oil - 1½¢ Refund of 12¢ per gallon allowed for operation of logging trucks off highways, motor vehicle power units for industrial purposes while vehicle is stationary, and motor vehicles of amputees, paraplegics, and certain classes of war veterans. Motor vehicles entering the Province subject to tax on imports in supply tanks exceeding forty gallons. Coloured gasoline may only be used in ships, boats and other water vehicles, stationary and portable engines and tractors for off highway use; logging trucks used exclusively off highways; railway locomotives, railway cars and track operated motor vehicles; and for non-motor vehicle industrial purpose. Refund of 2¢ per gallon is provided to farmers and commercial fishermen, for a net tax of 1¢ per gallon on coloured gasoline used in farming operations or in the commercial fisheries. Operators of commercial motor vehicles using motive fuel are required to pay tax on gallonage used on public highways within the Province. Motive fuel includes diesel fuel propane, butane. Motive fuel used in farm tractors is, with certain limitations, exempt (subject to Coloured Gasoline Tax Act). Fuel oil includes any liquid fuel, other than gasoline, used for burning to create a flame for heating, cooking or raising steam.	Per gallon Fuel oil - 14¢ Aviation fuel - 2¢ Fuel oil includes all liquid products obtained by distillation or absorption or any other process from petroleum, natural gas, casing head, or natural gasoline, benzene, naptha, coal, coal tar, oil shales, kerosene, gas, oil and any combination of any such products. No tax is payable in respect of fuel oil that is used or to be used in stationary generators of electricity, for heating, for lubricating, for laying or sprinkling on roads or streets, as cleaning fluids or solvents, in the operation of farm tractors for farming purposes, by the Government of Canada, a municipality as defined in the Municipal Ordinance, and by a visiting force as defined in the Visiting Forces (North Atlantic Treaty) Act.	Per gallon Gasoline fuel - 14¢ Diesel fuel - 15¢ Fuel oil - 3¢ Aviation fuel - 2½¢ Propane and butane - 2¼¢ No tax is payable in respect of fuel used or to be used by a hospital or a municipality.	6 7 8
Full tax refund is allowed on gasoline used exclusively in farming or commercial fishing. Relief from tax at 13¢ per gallon is allowed on gasoline used other than in motor vehicles or equipment; travelling on highways. Exceptions to the tax relief procedure are motor boats and motorized snow vehicles which are liable for the full rate. Relief from tax at 17¢ per gallon is allowed on diesel fuel used other than in a motor vehicle or in a machine used on a highway or in connection with the construction or maintenance of a highway. Rates on gasoline and diesel fuel are effective from March 29, 1972. Rate on aviation fuel is unchanged from 1971.							

TABLE 5. Miscellaneous Provincial Taxes - Continued

No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
Motor vehicle registrations and driving permits						
1	Statutory authority	The Highway Traffic Act; 1962, c. 82 and amendments.	The Highway Traffic Act; 1964, c. 14 and amendments.	Motor Vehicle Act; S.N.S. 1967, c. 191 amendments and regulations.	The Motor Vehicle Act; 1955, c. 13 and amendments.	Highway Code; R.S.Q. 1964, c. 231 and amendments.
2	Basis	(a) flat rate per vehicle (b) operator	(a) weight of the vehicle (b) operator (c) chauffeur	(a) per 100 lb. vehicle weight (b) operator (c) chauffeur	(a) per pound of weight of motor vehicle (b) operator (c) chauffeur	(a) per pound of vehicle weight (b) operator (c) chauffeur
3	Rate	(a) \$18.00 to \$24.00	(a) Not more than 2,049 lb. - \$20.00 Over 2,049 lb. up to and including 4,949 lb. - \$1.00 per 100 lb. 4,950 lb. and over - \$50.00	(a) \$1.00 per 100 lb. of vehicle weight. Minimum licence fee is \$15.00.	(a) 1¢ per pound of weight of motor vehicle; minimum fee of \$20.00 per vehicle plus a fee of \$4.00 for licence plates.	(a) 1¢ per pound (minimum \$20.00)
		(b) Operator's licence - \$9.00	(b) Operator's licence - \$4.00 (c) Chauffeur's licence - \$7.00	(b) Operator's licence - \$6.00 (3 years) (c) Chauffeur's licence - \$5.00 (1 year)	(b) Operator's licence - \$4.00 (c) Chauffeur's licence - \$4.00	(b) Operator's licence - \$6.00 (c) Chauffeur's licence - \$6.00 <i>(2 yrs)</i>
4	Comments	(a) Reduced rates apply later in the year. Operator's licence has a three year term. Expiry date is on licensee's birthday.	(a) Reduced rates apply later in the year. Operator's and chauffeur's licences have a <u>two</u> year term. Expiry date is on the last day of licensee's month of birth.	Licences expire Dec. 31 (may be extended to March 31).	(a) Reduced rates apply later in the year which expires Dec. 31. Operator's and chauffeur's licences have a <u>two</u> year term.	<i>2, 1966: 2 yrs 5 mo</i> 1 year - \$2.00
Insurance premium taxes						
(a) On insurance companies:						
5	Statutory authority	The Insurance Companies Tax Act; 1957, c. 76 and amendments.	The Premium Tax Act; 1957, c. 27 and amendments.	Insurance Premiums Tax Act; S.N.S. 1967, c. 149.	Premium Tax Act; 1957, c. 14.	Corporation Tax Act; R.S.Q. 1964, c. 67 and amendments.
6	Basis	Premium income	Premium income	Premium income	Premium income	Premium income
7	Rate	2%	2%	2%	2%	2%
8	Comments	Exemption for premiums on marine insurance and annuity contracts.	Exemption for premiums on marine insurance and annuity contracts.	Exemption for premiums on marine insurance and annuity contracts.	Exemption for premiums on marine insurance and annuity contracts.	-
(b) Fire insurance:						
9	Statutory authority	<i>(7)</i> The Insurance Premiums Tax Act; 1968, c. 59.	The Fire Prevention Act; S.P.E.I. 1951, c. 59 and amendments.	Fire Prevention Act; S.N.S. 1967, c. 107 and amendments.	Fire Prevention Act; S.N.B. 1952, c. 86 and amendments.	Corporation Tax Act; R.S.Q. 1964, c. 67 and amendments.
10	Basis	Premiums charged	Gross premiums	Premium income	Premium income	Premium income
11	Rate	7%	¾ of 1%	½ of 1%	1%	2%
12	Comments	This tax is paid by the policy holder. It is levied on all insurance premiums other than life, accident, sickness, and marine premiums.	-	Rates as determined by the Lieutenant Governor in Council.	-	-

TABLE 5. Miscellaneous Provincial Taxes - Continued

Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.
The Highway Traffic Act; R.S.O. 1970, c. 302 and amendments.	The Highway Traffic Act; R.S.M. 1970, c. H60 and amendments.	The Vehicles Act; S.S. 1965, c. 377 and amendments.	The Highway Traffic Act; R.S.A. 1970, c. 169 and amendments.	Motor-vehicle Act; S.B.C. 1960, c. 253 and amendments.	Motor Vehicle Ordinance; R.O. 1958, c. 77 and amendments.	Vehicles Ordinance; 1967 (2nd. Sess.), c. 9 and amendments.	1
(a) number of cylinders	(a) length of wheel base	(a) length of wheel base	(a) length of wheel base	(a) net weight of vehicle	(a) length of wheel base	(a) flat rate for passenger vehicles and light trucks	2
(b) operator	(b) driver	(b) operator	(b) operator	(b) operator	(b) operator	(b) operator	
(c) chauffeur	(c) chauffeur	(c) chauffeur		(c) chauffeur		(c) chauffeur	
(a) 4 cylinders or less - \$20 2-3 cylinders - \$27.50 6 cylinders - \$35.00 These fees are to be raised to \$23, \$32 and \$40 respectively effective December 1, 1972 for passenger vehicles and effective March 1, 1973 for commercial vehicles.	(a) \$11.25 for wheel base not exceeding 100" in length; for each additional 5 inches or portion thereof - \$3.25 Additional charge of 50¢ on all registrations for the Unsatisfied Judgement Fund	(a) \$15 for wheel base not exceeding 110" \$21 for wheel base of 111" to 120" \$27 for wheel base exceeding 120" These fees are to be raised by \$1.00 for the 1972-73 registration year.	(a) \$15 for wheel base not exceeding 110" \$20 for wheel base of 120" \$25 for wheel base of over 120"	(a) 1,500 lb. or less - \$10.80 1,501 lb. to 2,000 - \$14.40 2,001 lb. to 3,000 - \$18.00 3,001 lb. to 4,000 - \$22.50 4,001 lb. to 5,000 - \$31.50 5,001 lb. to 6,000 - \$45.00 6,001 lb. to 7,000 - \$58.50 Plus registration fee of \$1.00 for non-commercial vehicles.	(a) \$15.00 for wheel base 100" or less \$20.00 for wheel base 101" to 120" \$25.00 for wheel base 121" and over (Reduced rates apply later in the year).	(a) \$15.00 for private vehicles operated on the Mackenzie Highway. \$5.00 for private vehicles operated elsewhere in the Territories. Commercial \$6.50 per 1,000 lb. gross Vehicle Weight. Public Service \$8 per 1,000 lb. gross Vehicle Weight on Mackenzie Highway System; both \$1 per 1,000 lb. elsewhere in the Territories.	3
(b) Operator's licence - \$8.00 (\$9.00 effective December 1, 1972)	(b) Operator's licence - \$3.00	(b) Operator's licence - \$3.00	(b) Operator's licence - \$5.00	(b) Operator's licence - \$5.00	(b) Operator's licence - \$3.00	(b) Operator's licence - \$2.00	
(c) Chauffeur's licence - \$6.00 (\$8.00 effective December 1, 1972)	(c) Chauffeur's licence - \$4.00	(c) Chauffeur's licence - \$3.00		(c) Chauffeur's licence - \$3.00		(c) Chauffeur's licence - \$3.00	
3 yrs term	(a) Reduced rates apply later in the year which expires February 28. Operator's and chauffeur's licences issued for one year on birth date.	Operator's and chauffeur's licences have a one year term. Expiry date is April 30. See "Miscellaneous taxes" for motor vehicle insurance, p. 43.	Operator's licence has a five year term; expiry date is March 31.	(a) Rates are reduced one-twelfth each month to a minimum fee of \$2.00. Operator's licence has a five year term; chauffeur's licence has a one year term.	Operator's licence for a one year term. Expiry date is March 31.	(a) Rates are reduced to 40% after October 31. Both operator's and chauffeur's licences have one year terms.	4
The Insurance Act; R.S.O. 1970, c. 224 and amendments.	The Insurance Corporations Tax Act; R.S.M. 1970, c. 150 and amendments.	The Insurance Premiums Tax Act; S.S. 1965, c. 63 and amendments.	The Insurance Corporations Tax Act; R.S.A. 1970, c. 188 and amendments.	Insurance Premiums Tax Act; S.B.C. 1960, c. 198 and amendments.	-	-	5
Gross premiums or deposits	Premium income	Premium income	Premium income	Premium income	-	-	6
	2%	2%	2%	2%	-	-	7
2 1/2% on insurance covering property fire, inland transport, livestock, plate glass, sprinkler leakage, theft and weather. 2% on other types of insurance.	Exemption for marine insurance and annuity contracts.	Exemption for marine insurance and annuity contracts. *See "Miscellaneous taxes" for motor vehicle insurance, page 43.	Exemption for marine insurance and annuity contracts.	Exemption for marine insurance and annuity contracts.	-	-	8
-	-	The Fire Prevention Act; S.S. 1965, c. 365 and amendments.	The Fire Prevention Act; R.S.A. 1970, c. 144 and amendments.	Fire Marshal Act; S.B.C. 1960, c. 148 and amendment.	Fire Prevention Ordinance; R.O. 1962 (5th), c. 3 and amendments.	-	9
-	-	Premium income	Premium income	Premium income	Premium income	-	10
-	-	1%	1/3 of 1%	1%	1%	-	11
-	-	-	-	Rate determined by Lieutenant Governor in Council.	Effective April 25, 1972.	-	12

TABLE 5. Miscellaneous Provincial Taxes - Continued

No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
Mining taxes						
1	Statutory authority	The Mining Tax Act; S.N. 1952, c. 43 and amendments.	-	Gypsum Mining Income Tax Act; S.N.S. 1967, c. 122.	Mining Income Tax Act; (formerly, Mining Tax Act) 1954, c. 10 and amendments.	Mining Duties Act; 1965, c. 35.
2	Basis	Net income of mining corporations	-	(a) Net mining income or (b) Per ton of mineral mined	Net income of mining corporations	Net profit of mining corporations
3	Rate	Iron - 20% Others - 5%	-	(a) 33 1/2% of net income as set out in the Act. (b) 6¢ per ton; mining operation calculated at a fixed rate of 18¢ per ton, of which 33 1/2% is taxed.	8% on all net income up to \$750,000; 11% on next \$2,250,000 net income; and 12% on all net income exceeding \$3,000,000.	9% on net profit of \$50,000 to \$1,000,000; 11% on net profit of \$1,000,001 to \$2,000,000; 13% on net profit of \$2,000,001 to \$4,000,000; 15% on net profit over \$4,000,000.
4	Comments	-	-	-	-	Net profit up to \$50,000 is exempt.
Race track taxes						
5	Statutory authority	The Horse Racing (Regulations and Tax) Act; 1963, c. 65 and amendments.	The Entertainments Act; 1971, c. 13 and amendments.	Theatres and Amusements Act; S.N.S. 1967, c. 304 and regulations.	Theatres, Cinematographs, and Amusements Act; S.N.B. 1952, c. 228 and amendments.	Licences Act; R.S.Q. 1964, c. 79 and amendments.
6	Basis	Amount of bets placed under the pari mutuel system.	Pari mutuel betting pool	Pari mutuel betting pool	Pari mutuel betting pool	Pari mutuel betting pool
7	Rate	11%	11 1/2%	11%	11% of wagers	7% of ticket evidencing the choice of a single winning horse; 9% on other tickets.
8	Comments	-	The track operators are allowed 5 1/2% as a special concession.	If tax is remitted within 7 days, the Race Association may deduct a commission of 7% and 8% depending on certain variables in amounts and dates.	If tax is remitted within 7 days, the Race Association may deduct from 6 1/4% to 8% of the amounts wagered as commission.	In addition to the duty on wagers, there is a duty on the entrance fee at the rate of 10% at races with "pari mutuel" betting, and 5¢ per person at other races.

TABLE 5. Miscellaneous Provincial Taxes - Continue

Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.
The Mining Tax Act; S.B.C. 1970, c. 275.	The Mining Royalty and Tax Act; R.S.M. 1970, c. M180 and amendments.	The Mineral Taxation Act; S.S. 1965, c. 64 and amendments.	The Mineral Taxation Act; R.S.A. 1970, c. 236 and amendments.	Mining Tax Act; S.B.C. 1960, c. 247 and amendments.	-	-	1
Tax profit on the mining of ore.	(a) Net profit of mining corporations. (b) Corporate holdings of mineral rights of 40 acres or more.	(a) a flat rate per acre for freehold minerals owned by corporations; (b) Assessed value of minerals for freehold lands; (c) "Product ton" of potash.	(a) assessed value of minerals and (b) a flat rate per acre of land.	Net income	-	-	2
15%	(a) 10% if income under \$50,000; 15% of income \$50,000 or more. (b) 10¢ per acre. <i>1970</i>	(a) 20¢; the tax is not applicable to an owner who is an individual. (b) 8 mills (c) 60¢	Rates vary with respect to different classes of minerals in (designated) producing areas. Tariff of fees not to exceed 5¢ per acre (minimum 25¢).	15% on net income in excess of \$10,000. ✓	-	-	3
Applicable to the total profit of the mine in the taxation year, as determined under the Act. Mining companies obtaining a profit of less than \$50,000 are exempt. Those obtaining a profit in excess of \$50,000 pay on the total profit including the first \$50,000.	Tax for the first three years of operations is 50% of the above-noted rates. The first three years exemption disappears as at December 31, 1972. Also, the Mineral Taxation Act imposes a rate of 8 mills on the assessed value of crude oil in, on or under land in a designated producing area.	Assessed value of minerals is based on value of production for the year previous. Acreage tax applies only to corporations holding land in Saskatchewan. Producing tract tax applies to all freehold minerals. Acreage tax raised from 10¢ to 20¢ in 1972. Potash tax effective from June 1, 1972.	No tax is payable in respect to coal mining.	The rate includes coal and mineral concentrates. The amended Act makes the processors of minerals, as well as owners of mines, liable for tax.	-	-	4
The Race Tracks Tax Act; S.B.C. 1970, c. 329 and amendments.	The Amusements Act; R.S.M. 1970, c. A70 and amendments.	The Horse Racing Regulations Act; S.S. 1965, c. 384 and amendment.	The Amusements Act; R.S.A. 1970, c. 18 and amendments.	Pari Mutuel Betting Tax Act; S.B.C. 1960, c. 274.	-	-	5
Pari mutuel betting pool	Pari mutuel betting pool	Pari mutuel betting pool	Pari mutuel betting pool	Pari mutuel betting pool	-	-	6
0%	10% less 1 1/2% commission paid track	10%	5%	8% <i>new 1290</i>	-	-	7
-	-	-	-	1% of this rate is earmarked to increase the purses of B.C. bred, born and raised horses.	-	-	8

TABLE 5. Miscellaneous Provincial Taxes - Continued

No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
Tobacco Taxes						
1	Statutory authority	The Tobacco Tax Act; 1964, c. 81 and amendments.	The Health Tax Act; S.P.E.I. 1951, c. 71 and amendments.	Health Services Tax Act; S.N.S. 1967, c. 126 and amendments.	Tobacco Tax Act; S.N.B. 1952, c. 231 and amendments.	Tobacco Tax Act; R.S.Q. 1964, c. 72 and amendments.
2	Basis	By cigarette; by retail price of cigars; other tobacco products by weight.	By cigarette; by retail price of cigars and other tobacco products.	By cigarette; by retail purchase price of cigars and other tobacco products.	By cigarette; by retail price of cigars and other tobacco products.	By cigarette; by retail price of cigars and other manufactured tobacco.
3	Rate	<p>1972-73 up (up 1%)</p> <p>Cigarettes - 1¢ each</p> <p>Cigars from: 15¢ - 4¢ each 16¢ to 25¢ - 8¢ " 26¢ " 35¢ - 12¢ " 36¢ " 45¢ - 16¢ " 46¢ up - 20¢ "</p> <p>Other tobacco products 4¢ per ½ oz. unit or part thereof</p>	<p>Cigarettes - 2/5 of 1¢ each</p> <p>Cigars from: 4¢ to 9¢ - 1¢ each 10¢ to 15¢ - 2¢ each 16¢ up - 1¢ additional tax for each additional 5¢ of retail price.</p> <p>Other tobacco products 20% of retail price.</p>	<p>Cigarettes - 4/10 of 1¢ each</p> <p>Other tobacco products - 10% of retail price.</p>	<p>Cigarettes - 2/5 of 1¢ each</p> <p>Cigars - 1¢ for each 5¢ or part thereof</p> <p>Other tobacco products - 4¢ per ounce or part thereof.</p>	<p>Cigarettes - 2/5 of 1¢ each</p> <p>Cigars from: 5¢ to 10¢ - 1¢ each 10¢ up - 20%</p> <p>Manufactured tobacco - 20% of retail price.</p>
4	Comments	<p>There are certain exemptions on tobacco purchases by bona fide tourists and for other categories such as ships stores. There is no tax on a plug of tobacco.</p> <p>Rates are effective June 1, 1972.</p>	-	Taxes levied under this Act are used in providing health services (hospital benefits, medical care, etc.) for residents of province.	-	No tax is levied on leaf tobacco or on cigars sold at 5¢ each, or less.
Hospitalization and medical care premiums and payroll taxes						
5	Statutory authority	-	-	-	-	Health Insurance Act, 1970, c. 37 and amendments.
6	Basis	-	-	-	-	Gross salaries paid to employees who report for work in an establishment in Quebec.
7	Rate	-	-	-	-	8/10 of 1%
8	Comments	-	-	-	-	<p>The proceeds of this levy are earmarked for medical care.</p> <p>Individuals also pay a special medical care income tax. See Table 2 under Quebec.</p>

TABLE 5. Miscellaneous Provincial Taxes - Continued

Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.
The Tobacco Tax Act; R.S.O. 1970, c. 482 and amendments.	The Tobacco Tax Act; R.S.M. 1970, c. T80 and amendments.	The Tobacco Tax Act; S.S. 1965, c. 68 and amendments.	The Tobacco Tax Act; R.S.A. 1970, c. 364 and amendments.	The Cigarette and Tobacco Tax Act; S.B.C. 1971, c. 7.	-	-	1
By cigarette; by retail price of cigars; by weight for other tobacco products.	By cigarette; by retail price of cigars; by weight for other manufactured tobacco.	By cigarette according to length; by retail price of cigars and by weight for other tobacco products.	By cigarette; by retail price of cigars and by weight for tobacco (including plugs and snuff).	By cigarette; by retail price of cigars; by weight for other tobacco products.	-	-	2
<i>2/59 1/2 up</i> Cigarettes - 0.46 of 1¢ each Cigars from: 1¢ to 7¢ - 1¢ each 8¢ to 10¢ - 2¢ " 11¢ up - 1¢ additional tax for each additional 5¢ of retail price Other tobacco products - 2¢ per 1/2 ounce (or part thereof).	<i>2/59 1/2 down</i> Cigarettes - 3/5 of 1¢ each Cigars: 4¢ or less - 1¢ each 5¢ to 8¢ - 2¢ " 9¢ to 12¢ - 3¢ " 13¢ to 16¢ - 4¢ " 17¢ to 20¢ - 5¢ " 21¢ to 28¢ - 7¢ " 29¢ to 36¢ - 9¢ " 37¢ to 43¢ - 11¢ " 44¢ to 52¢ - 13¢ " 53¢ up - 15¢ " Other tobacco products - 3¢ per 1/2 ounce unit.	Cigarettes up to 85 millimeters long - 8/25 of 1¢ each Cigarettes over 85 millimeters long - 9/25 of 1¢ each Cigars from: up to 7¢ - 1¢ each 8¢ to 15¢ - 2¢ " 16¢ to 25¢ - 4¢ " 26¢ to 35¢ - 6¢ " 36¢ to 45¢ - 8¢ " over 45¢ - 10¢ " Other tobacco - 2¢ per 1/2 oz. or fraction thereof.	Cigarettes - 8/25 of 1¢ each Cigars: 7¢ or less - 1¢ each 8¢ to 15¢ - 2¢ " 16¢ to 22¢ - 3¢ " 23¢ to 32¢ - 5¢ " 33¢ to 42¢ - 7¢ " over 43¢ - 9¢ " Tobacco - 64¢ per pound.	Cigarettes - 8/25 of 1¢ each Cigars: 7¢ or less - 1¢ each 8¢ to 15¢ - 2¢ " 16¢ to 22¢ - 3¢ " 23¢ to 32¢ - 5¢ " 33¢ to 42¢ - 7¢ " over 43¢ - 9¢ " Other tobacco products - 2¢ per 1/2 oz. or part thereof.	-	-	3
Rates are effective March 29, 1972.	Rates are effective May 1, 1972.	-	-	-	-	-	4
The Hospital Services Commission Act; S.O. 1960, c. 176 and amendments. The Health Services Insurance Act; S. 1968-69.	The Health Services Insurance Act; 1970, c. 35 (second session).	(a) The Saskatchewan Hospitalization Act; S.S. 1965, c. 253 and amendments. (b) The Saskatchewan Medical Care Insurance Act; S.S. 1965, c. 255 and amendments.	The Alberta Hospitals Act; 1961, c. 36. The Health Insurance Premiums Act; 1969, c. 45 and amendments.	Medical Services Act; S.B.C. 1967, c. 24.	Health Care Insurance Plan Ordinance; 1971 (1st), c. 15.	-	5
Monthly premiums	Monthly premiums	Annual premiums	Annual premiums	Monthly premiums	Monthly premiums	-	6
Single \$11.00 Family \$31.00	Single \$4.15 Family \$8.30	(a) Single \$24.00 Family \$48.00 (b) Single \$12.00 Family \$24.00	Single \$69.00 Family \$138.00 A \$5.00 non-insurable registration fee is levied.	Single \$ 5.00 Family of two \$10.00 Family of three or more \$12.50	<i>new</i> Single \$6.50 Family of two \$12.50 Family of three or more \$14.50	-	7
Combined billing of premiums for the hospitalization and medical care plans commenced July 1, 1972.	Premium rates for members of the RCMP and Canadian Armed Forces: family (1 dependant) \$4.15, family (2 or more dependants) \$6.25. Hospitalization and medical care plans are combined.	Persons 65 years of age and over do not have to pay premiums.	Hospitalization and medical care contributions are combined.	The province subsidizes 90% of premium cost of persons with no taxable income in the previous year, and 50% of premium cost for persons with taxable income not in excess of \$1,000 in the previous year. Hospitalization and medical care contributions are combined.	The Territory subsidizes 100% of premium cost of persons with no taxable income and 50% of premium cost for single persons with taxable income less than \$500, for families of two with taxable income less than \$1,000 and families of three or more with taxable income less than \$1,300. Effective April 1, 1972.	-	8

TABLE 5. Miscellaneous Provincial Taxes - Concluded

No.		Newfoundland	Prince Edward Island	Nova Scotia
	Other taxes			
1	Name of tax	Telegraph and wireless tax	-	Tax on long-distance telephone calls
2	Statutory authority	The Telegraph Tax Act; S.N. 1952, c. 33.		Corporations Tax Act; S.N.S. 1967, c. 61.
3	Basis	(a) by telegraph cables to places outside the province; and (b) by wireless station communicating with any place, ship, or vessel outside the province; (c) amount received for telegraphic messages passing over the land lines of a company in the province.		Toll charge
4	Rate	(a) \$4,000 per cable (max. tax \$20,000). (b) \$4,000 per station. (See comment.) (c) 1%		5¢ for each 50¢ toll charge or part thereof.
5	Comments	No tax is charged if the purpose of the wireless station is only for the reporting of passing ships or vessels.		Tolls under 25¢ are exempt.
6	Name of tax	Business tax	Tax on alcoholic beverages	-
7	Statutory authority	-	The Health Tax Act; S.P.E.I. 1951, c. 71 and amendments.	
8	Basis	Registration fee for every company	Retail price	
9	Rate	\$100.00 per year	10%	
10	Comments	-	Retail sales are made through provincial government liquor stores.	
11	Name of tax	-	-	-
12	Statutory authority			
13	Basis			
14	Rate			
15	Comments			

TABLE 5. Miscellaneous Provincial Taxes - Concluded

Quebec	Ontario	Saskatchewan	Alberta	British Columbia	Yukon Territory	No.
Telecommunications	Professional boxing and wrestling events	—	Fur tax	—	Fur tax	1
Telecommunications Tax Act; 1965, c. 24.	The Athletics Control Act; S.O. 1960, c. 26.		The Game Act; S.A. 1965, c. 126 and amendments.		Fur Export Ordinance; R.O. 1958, c. 49 and amendments.	2
Price of telecommunication	Gross receipts of professional boxing and wrestling events		Per pelt		Per pelt	3
3%	2%		Various		Various	4
Applicable to long distance telephone calls, telegrams and other telecommunications.	—		Rates are established by regulations with a range from 2¢ to \$1.25 per pelt.		Rates are established by regulations with a range from 1¢ to \$5.00 per pelt.	5
Motels and lodging tax	Land transfer tax	Motor vehicle insurance tax	Bus mileage tax	Hotel and motel room tax	Alcoholic beverages tax	6
Motels and Hotels Tax Act; 1965, c. 35.	The Land Transfer Tax Act; R.S.O. 1970, c. 235 and amendments.	The Motor Vehicle Insurance Premiums Tax Act; 1967, c. 19.	The Public Service Vehicles Act; R.S.A. 1970, c. 300 and amendments.	Hotel and Motel Room Tax Act; 1971, c. 26.	Government Liquor Ordinance; O.Y.T. 1970 (1st session), c. 3.	7
On meals priced \$1.25 and over; on alcoholic beverages; on any aerated water, to which essence or syrup has been added, and on price of lodging.	Purchase price	Premium income	By passenger mile	Purchase price of accommodation in hotels and motels	By the bottle, flask, or gallon	8
8% The tax is not payable by persons employed in an establishment on the price of lodging and meals supplied to them by the person who owns the establishment. Not served in a tavern is not taxable.	Up to \$35,000 — 3/10 of 1% Over \$35,000 — 3/5 of 1%	1%	2/15 of 1¢ per passenger mile on hard surface roads; 2/45 of 1¢ per passenger mile on gravel roads.	5%	10¢ on each dozen bottles of beer 10¢ on each half-bottle of table wine 20¢ on each bottle of table wine 20¢ on each half-bottle of fortified wine 45¢ on each bottle of fortified wine 20¢ on each flask of spirits 50¢ on each bottle of spirits 10¢ on each gallon of draft beer	9
—	Rate effective April 1, 1972.	—	—	—	—	10
Logging tax	Security transfer tax	—	—	Logging tax	—	11
Logging Tax Act; R.S.Q. 1964, c. 68 and amendments.	The Security Transfer Tax Act; R.S.O. 1970, c. 427 and amendments.			Logging Tax Act; S.B.C. 1960 c. 225 and amendments.		12
Income (as defined)	Sale price of securities transferred			Net income		13
19%	Bonds and debentures, 3¢ per \$100 or fraction thereof, of par value Shares sold, transferred or assigned: Value under \$1 — 1/10 of 1% of value " \$1 to \$ 5 — 1/2¢ per share " 5 " 25 — 1¢ " " " 25 " 50 — 2¢ " " " 50 " 75 — 3¢ " " " 75 " 150 — 4¢ " " " over \$150 — 4¢ per share plus 1/10 of 1% value in excess of \$150			15% where net income exceeds \$10,000.	✓	14
Full exemption is allowed where income is less than \$1,000; where income exceeds \$1,000, the tax is paid on the total income including the \$1,000.	— Chy'd 1970			Full exemption is allowed where net income is less than \$10,000; where net income exceeds \$10,000, the tax is paid on the total net income including the first \$10,000. Tax credit of ten-fiftieths of tax is provided under the provincial Income Tax Act. Two-thirds may be deducted from federal income tax under the provisions of the federal Income Tax Act.		15

PART IV

REAL PROPERTY TAXES

GENERAL

Real property taxation is largely a local government preserve in Canada. In recent years, however, certain provincial governments have assumed responsibilities that have traditionally been regarded as local in character and,

simultaneously, have preempted a substantial proportion of the real property tax field. The federal government does not impose any real property tax.

Provincial Governments

Provincial property taxes are levied by New Brunswick at the rate of 1-1/2% of fair market value on all land and buildings in the province; a similar tax is also imposed on business occupancy. The revenue from these levies is not earmarked for any specific purpose; their imposition, however, coincided with the assumption by the Province of responsibility for the provision of services in the areas of education, health, welfare and administration of justice which until January 1, 1967 had been provided by local governments.

Starting July 1, 1972, Prince Edward Island launched a program somewhat similar to that of New Brunswick. A tax of 1-1/10% is imposed on the fair market value of all real property in the province; in addition, a further 1-1/10% of fair market value is assessed against business property. Imposition of these taxes coincided with the assumption by the Province of responsibility for the

provision of primary and secondary education, responsibility which had hitherto rested with local governments. (Health and welfare services in the various localities were already provided by the provincial government from other revenue sources.)

Certain other provinces also impose property taxes but these are not significant from a revenue standpoint. Nova Scotia levies a "land tax" of limited application. In unorganized (non-municipal) areas, the Province of Ontario imposes a property tax of 1-1/2% of assessed value with a minimum annual tax of \$6.00 in respect of any land. British Columbia also imposes a property tax in unorganized (non-municipal) areas at varying rates ranging from 1/2 of 1% of the assessed value of farm land to 7% for (operating) coal land. The Yukon Territory levies a property tax on the "fair value" of all real property (non-municipal) at a rate determined each year.

Local Governments

The principal revenue available to local governments from their own sources is that generated by the tax levied on real property situated within their boundaries. Generally speaking, municipalities set the rates and collect the proceeds of this levy themselves or do so on behalf of other local governments in their areas. Exceptions to this practice are found in New Brunswick and Prince Edward Island, where the municipalities set rates but where imposition and collection are carried out by the provincial governments, and in most of Quebec outside the Montreal area, as well as in the unorganized parts of Ontario where school boards levy their own real property taxes.

The real property tax rate is expressed in mills per dollar (or dollars per \$100) of the taxable assessed value of taxable property. Actual mill rates and assessment practices vary widely among municipalities. In fact, the real property tax in a municipality depends on the location and physical make-up of the municipality, the type and level of services that it provides, the financial assistance that it receives from other governments, and the methods that it uses to discharge its financial responsibilities. Thus each municipality's real property tax rate is unique and valid rate comparisons between different municipalities are very difficult to make. An exercise has been undertaken to present rate-related data on total real property taxation in Canada; the nature of the presentation and the results obtained are described below under the heading "real property tax rates".

Tax Credits or Subsidies in Respect of Real Property Tax

Measures have been adopted by the provincial governments of Ontario, Manitoba, Saskatchewan, Alberta and British Columbia to alleviate the burden of real property taxation.

In Ontario, the residential property tax reduction, which relieved the first \$2,000 of assessment at an equalized mill rate and which provided additional relief for elderly citizens or couples maintaining an independent household and in receipt of the federal guaranteed income supplement, was replaced in 1972 by an income tax credit. Unlike the residential property tax reduction which benefited in approximately equal fashion all real property taxpayers, the income tax credit is calculated on a sliding scale which provides less affluent individuals with a larger credit than that available to individuals in the higher income brackets. The scheme takes account of income and of real property tax paid. The minimum credit entitlement is \$10; individuals whose income is insufficient to make them liable to income tax are eligible for full credit.

In Manitoba, an education property tax credit plan came into operation in 1972. The credit is calculated by means of a formula which takes into account the school taxes paid by an individual and his taxable income. It is equal to \$140 less 1% of taxable income subject to the provision that it cannot be reduced to less than \$50. The credit can be claimed by individuals who rent as well as by

those who own the residential premises which they occupy. No person can receive a benefit in excess of his school property tax for the year.

In Saskatchewan, the home-owner grant program was replaced in 1972 by the property improvement grant program. The new program applies to small businesses and farms as well as to homes. It takes the form of a grant equal to 13 mills of assessed value up to a maximum assessed value of \$6,000 for a home, \$10,000 for a small business and \$15,000 for a farm. The grant cannot be less than that previously paid under the home-owner grant program (the lesser of \$60 or half the year's property tax).

In Alberta, the home-owner tax subsidy provides for a discount of \$50 on the taxes of owner-occupied eligible residences in the province. Moreover, under the Senior Citizen's Shelter Act, all home-owners aged 65 years or over also benefit from a 30 mill reduction in school property taxes. Individuals 65 years of age or over who rent residential premises and do not own a home benefit from a \$50 grant to help offset their indirect real property tax burden.

In British Columbia the home-owners' grant provides tax relief for resident home-owners. The maximum amount of this grant has been set at \$185 per property in 1972 for home-owners under 65 years of age and at \$235 per property for home-owners 65 years of age and over. The grant is paid to the municipality on behalf of the home-owner who pays the balance of the taxes levied on his property.

Real Property Tax Rates

There is great difficulty in presenting rates of real property tax that are comparable from province to province. The major obstacle in the way of any attempt to such

a presentation is the fact that assessment of real property value fluctuates widely from local government to local government. In provinces where a certain uniformity of assessment is enforced, comparability may exist among local governments of that province but not with those of the other provinces unless, of course, all provinces were to resort to the same assessment system. This, however, is not the case and, generally speaking, there is little way of comparing real property tax rates among provinces. In practice several assessment systems are used; all relate to some kind of value assessed against taxable property ranging from various percentages of fair market value to fair market value itself. However, even if fair market value is used as a yardstick in most cases, there is no guarantee that such value is current. Readjustments of fair market value can be made but the time intervals between such readjustments are irregular and the readjustments themselves are often quite arbitrary.

To present some kind of rate-related data that can claim to hold a certain degree of interprovincial comparability, relationships of tax yield to some common base variable have to be developed. In the 1968, 1969 and 1970 editions, implicit rates of taxation were derived by taking the ratio of actual tax to market value for a representative or typical piece of property. This did not prove satisfactory because of the difficulties encountered in defining what could be considered as a representative or typical piece of property in all municipalities and also in assigning what could be termed a median fair market value to such property since fair market value fluctuates significantly from area to area even within a same locality. The technique was dropped in the 1971 edition. After much consideration of the problem, it has now been concluded that relationships of tax yields to certain non-financial indicators with common denominator implications for all provinces may be useful in portraying certain trends and comparisons.

Real Property Tax per Capita, 1966 to 1970

	1966 (Act.)	1967 (Act.)	1968 (Act.)	1969 (Act.)	1970 (Est.)
	dollars				
Newfoundland	9.87	9.46	11.74	12.07	19.21
Prince Edward Island	30.03	37.50	49.76	59.64	50.67
Nova Scotia	55.17	59.86	77.88	71.57	77.10
New Brunswick	66.83	52.12	55.62	59.39	66.08
Quebec	86.84	92.76	103.20	114.34	126.94
Ontario	124.90	138.93	151.47	166.29	177.77
Manitoba	92.42	97.00	115.69	127.89	130.23
Saskatchewan	112.45	124.95	132.77	146.13	153.37
Alberta	100.00	110.40	124.80	135.45	135.52
British Columbia	113.69	115.63	137.45	152.41	164.38
Yukon	15.64	27.40	15.87	61.80	62.75
Northwest Territories	15.62	21.66	20.52	26.19	28.30
Canada	100.87	109.18	121.99	133.97	143.90

Sources: Statistics Canada, *Local Government Finance - Preliminary and Estimates*, (Catalogue 68-203); Statistics Canada, *Local Government Finance - Actual* (Catalogue 68-204); Statistics Canada, *Provincial Government Finance - Revenue and Expenditure (Estimates)* (Catalogue 68-205); Statistics Canada, *Provincial Government Finance - Revenue and Expenditure* (Catalogue 68-207).

Unfortunately not too many of these non-financial common denominators are available but population may be considered to be one of them since residential facilities and the industrial, commercial, and institutional premises necessary to shelter the needs and activities of a community bear some relationship to its population. As population grows, so do its real property requirements. With this consideration in mind, a table has been constructed providing data on real property tax per capita in Canada and in the provinces for the years 1966 to 1970 inclusive. The real property tax revenue of provincial and local governments have been combined to promote interprovincial comparability. Because of a special situation prevailing in Newfoundland, optimum interprovincial comparability could not be achieved at least as far as this province is concerned. Schools in Newfoundland are still, by and large, private institutions and thus fall outside the ambit of government. This explains why the figures for this province appear so much out of line with those of the other Atlantic provinces.

The information provided by the table is interesting in that it illustrates the extent of the relative exploitation of the real property tax field in Canada. However an important qualification is warranted. The figures used are

gross figures, i.e., they do not reflect the tax credits or subsidies in respect of real property tax in certain provinces. Thus the effective burden of real property taxation in Ontario, Saskatchewan, Alberta and British Columbia is less, and appreciably less in certain instances, than is portrayed above. The purpose of the table is to provide some comparison of real property tax yield in the various provinces and not necessarily to compare the effective real property tax burden for the individual.

The information provided by the table is also interesting in that it provides a measure of the secular increase in taxation. Since the data is on a per capita basis, the element of increase in tax yield due to increased population or enlargement of the real property stock is, to some extent, discounted. What remains is the element of tax increase caused either by increases in mill rates or reassessments of taxable value. Upward adjustments of taxable value amount to a form of tax increase; however, they are not made solely in the spirit of increasing taxes but also in the spirit of maintaining some kind of relationship to fair market value. Thus they also reflect something which is not tax increase but the working of the inflationary process.

PART V

HISTORICAL SUMMARIES
OF SELECTED TAXES

TABLE I. Historical Summary of the Personal Income Taxes levied by the Federal Government 1962 to 1972

1962	1963
<p>RATES</p> <p>"Basic" personal income tax (excluding old age security tax): 11% on first \$1,000 of taxable income \$ 110 on \$ 1,000 plus 14% on next \$ 1,000 250 " 2,000 " 17% " " 1,000 420 " 3,000 " 19% " " 1,000 610 " 4,000 " 22% " " 2,000 1,050 " 6,000 " 26% " " 2,000 1,570 " 8,000 " 30% " " 2,000 2,170 " 10,000 " 35% " " 2,000 2,870 " 12,000 " 40% " " 3,000 4,070 " 15,000 " 45% " " 10,000 8,570 " 25,000 " 50% " " 15,000 16,070 " 40,000 " 55% " " 20,000 27,070 " 60,000 " 60% " " 30,000 45,070 " 90,000 " 65% " " 35,000 67,820 " 125,000 " 70% " " 100,000 137,820 " 225,000 " 75% " " 175,000 269,070 " 400,000 " 80% " remainder</p> <p>Old age security tax: 3% of taxable income (maximum \$90).</p> <p>Tax on investment income from sources outside Canada: 4% of the taxpayer's income from investment outside Canada, after deduction of \$2,400 or the total of his personal exemptions, whichever is greater, plus allowable charitable donations and medical expenses.</p> <p>EXEMPTIONS AND DEDUCTIONS</p> <p>Single \$1,000 Married 2,000 Dependants: Children under 16 300 Other dependants 550 Old age (taxpayers 65 years of age and over) 500 Charitable donations, medical expenses and union dues: Charitable donations: Up to 10% of income. Medical expenses: Over 3% of income. Union or professional dues: No restriction.</p> <p>or</p> <p>Standard deduction of \$100 (in lieu of claiming deductions for charitable donations, medical expenses and union or professional dues).</p> <p>TAX ABATEMENTS, REDUCTIONS AND CREDITS</p> <p>Provincial income tax abatement: 16% of "basic" personal income tax.</p> <p>Credit for dividends from Canadian corporations: 20% of the amount of dividends received.</p>	<p>RATES</p> <p>Same as 1964.</p> <p>EXEMPTIONS AND DEDUCTIONS</p> <p>Same as 1962.</p> <p>TAX ABATEMENTS, REDUCTIONS AND CREDITS</p> <p>Increase in the provincial income tax abatement to 21% in all provinces other than Quebec, and 44% in Quebec (the additional 23 percentage points in Quebec are in respect of fiscal compensation for opting out of certain federal-provincial shared cost programs).</p> <p>Provision of a tax reduction equal to 5% of "basic" personal income tax (maximum \$300).</p> <p>The credit for dividends from Canadian corporations remains at 20% of the amount of dividends received.</p>
	1966
	<p>RATES</p> <p>Same as 1964.</p> <p>EXEMPTIONS AND DEDUCTIONS</p> <p>Same as 1962, except that a separate deduction is allowed for union and professional dues in addition to the standard deduction of \$100 and that the \$500 deduction for taxpayers between the ages of 65 and 70 is cancelled if they are in receipt of old age security benefits.</p> <p>TAX ABATEMENTS, REDUCTIONS AND CREDITS</p> <p>Increase in the provincial income tax abatement to 24% in all provinces other than Quebec, and 47% in Quebec.</p> <p>Cancellation of the tax reduction enacted in 1965 and provision of two separate tax reductions equal to 4% of "basic" personal income tax (maximum \$240) and 12% of "basic" personal income tax (maximum \$13).</p> <p>The credit for dividends from Canadian corporations remains at 20% of the amount of dividends received.</p>
	1967
	<p>RATES</p> <p>Same as 1964 except for an increase from 4% (maximum \$120) to 4% (maximum \$240) in the old age security tax rate.</p> <p>EXEMPTIONS AND DEDUCTIONS</p> <p>Same as 1966.</p> <p>TAX ABATEMENTS, REDUCTIONS AND CREDITS</p> <p>Increase in the provincial income tax abatement to 28% in all provinces other than Quebec, and 50% in Quebec.</p> <p>The tax reductions of the previous year are changed to a single reduction equal to 20% of "basic" personal income tax (maximum \$20).</p> <p>The credit for dividends from Canadian corporations remains at 20% of the amount of dividends received.</p>
	1968
	<p>RATES</p> <p>Same as 1967 except for the imposition of a surtax equal to 3% of basic personal income tax in excess of \$200.</p> <p>EXEMPTIONS AND DEDUCTIONS</p> <p>Same as 1966.</p> <p>TAX ABATEMENTS, REDUCTIONS AND CREDITS</p> <p>Same as 1967.</p>
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1964	
<p>RATES</p> <p>Same as 1962 except for an increase from 3% (maximum \$90) to 4% (maximum \$120) of the old age security tax rate.</p> <p>EXEMPTIONS AND DEDUCTIONS</p> <p>Same as 1962.</p> <p>TAX ABATEMENTS, REDUCTIONS AND CREDITS</p> <p>Same as 1963, except for an increase in the provincial tax abatement from 17% to 18%.</p>	

TABLE 1. Historical Summary of the Personal Income Taxes levied by the Federal Government, 1962 to 1972 - Concluded

1969	1972																																																																						
<p>RATES</p> <p>Same as 1968 except for the imposition of a social development tax equal to 2% of taxable income (maximum \$120).</p> <p>EXEMPTIONS AND DEDUCTIONS</p> <p>Same as 1968.</p> <p>TAX ABATEMENTS, REDUCTIONS AND CREDITS</p> <p>Same as 1967.</p>	<p>CHANGES IN THE CONCEPT OF INCOME</p> <p>Under tax reform, income is broadened to include half of capital gains; half of capital losses are deductible from capital gains brought into income or from other income if they do not exceed \$1,000. Income is also broadened to include unemployment insurance benefits and other receipts hitherto excluded from its ambit.</p> <p>RATES</p> <p>17% on the first \$500 of taxable income</p> <table> <tr> <td>\$ 85 on \$ 500 plus 18% on next \$ 500</td><td></td></tr> <tr> <td>175 " 1,000 " 19% " " 1,000</td><td></td></tr> <tr> <td>365 " 2,000 " 20% " " 1,000</td><td></td></tr> <tr> <td>565 " 3,000 " 21% " " 2,000</td><td></td></tr> <tr> <td>985 " 5,000 " 23% " " 2,000</td><td></td></tr> <tr> <td>1,445 " 7,000 " 25% " " 2,000</td><td></td></tr> <tr> <td>1,945 " 9,000 " 27% " " 2,000</td><td></td></tr> <tr> <td>2,485 " 11,000 " 31% " " 3,000</td><td></td></tr> <tr> <td>3,415 " 14,000 " 35% " " 10,000</td><td></td></tr> <tr> <td>6,915 " 24,000 " 39% " " 15,000</td><td></td></tr> <tr> <td>12,765 " 39,000 " 43% " " 21,000</td><td></td></tr> <tr> <td>21,795 " 60,000 " 47% " excess</td><td></td></tr> </table> <p>The old age security and social development taxes are eliminated as separate levies and the surtax and the 4% tax on investment income from sources outside of Canada are cancelled.</p> <p>EXEMPTIONS AND DEDUCTIONS</p> <table> <tr> <td>Single</td><td>\$1,500</td></tr> <tr> <td>Married</td><td>2,850</td></tr> <tr> <td>Dependents:</td><td></td></tr> <tr> <td>Children under 16</td><td>300</td></tr> <tr> <td>Other dependants</td><td>550</td></tr> <tr> <td>Students in full-time attendance at a post-secondary educational institution</td><td>\$50 per month of attendance</td></tr> <tr> <td>Old age (taxpayers 65 years of age and over)</td><td>1,000</td></tr> <tr> <td>Taxpayers who are blind or confined to a wheelchair</td><td>1,000</td></tr> <tr> <td>Charitable donations, medical expenses and union dues:</td><td></td></tr> <tr> <td>Charitable donations:</td><td></td></tr> <tr> <td>Up to 20% of income.</td><td></td></tr> <tr> <td>Medical expenses:</td><td></td></tr> <tr> <td>Over 3% of income.</td><td></td></tr> <tr> <td>or</td><td></td></tr> <tr> <td>Standard deduction of \$100 (in lieu of claiming deductions for charitable donations and medical expenses).</td><td></td></tr> <tr> <td>Union or professional dues:</td><td></td></tr> <tr> <td>No restriction.</td><td></td></tr> <tr> <td>Child care expenses:</td><td></td></tr> <tr> <td>\$500 for each child under 14 years of age (maximum \$2,000 per family)</td><td></td></tr> <tr> <td>Employment expenses:</td><td></td></tr> <tr> <td>Up to 3% of employment income (maximum \$150).</td><td></td></tr> <tr> <td>Moving expenses:</td><td></td></tr> <tr> <td>Removal expenses incurred by a taxpayer who changes job.</td><td></td></tr> </table> <p>TAX ABATEMENTS, REDUCTIONS AND CREDITS</p> <p>Provincial income tax abatement:</p> <p>All provinces other than Quebec:</p> <p>Nil.</p> <p>Quebec:</p> <p>24% of federal personal income tax.</p> <p>Tax reduction:</p> <p>3% of basic personal income tax.</p> <p>There is a dividend tax credit which operates as follows:</p> <p>Dividend income is increased by 33% and added to income and 80% of of the "grossed up" portion of the dividend is allowed as a credit against federal tax.</p>	\$ 85 on \$ 500 plus 18% on next \$ 500		175 " 1,000 " 19% " " 1,000		365 " 2,000 " 20% " " 1,000		565 " 3,000 " 21% " " 2,000		985 " 5,000 " 23% " " 2,000		1,445 " 7,000 " 25% " " 2,000		1,945 " 9,000 " 27% " " 2,000		2,485 " 11,000 " 31% " " 3,000		3,415 " 14,000 " 35% " " 10,000		6,915 " 24,000 " 39% " " 15,000		12,765 " 39,000 " 43% " " 21,000		21,795 " 60,000 " 47% " excess		Single	\$1,500	Married	2,850	Dependents:		Children under 16	300	Other dependants	550	Students in full-time attendance at a post-secondary educational institution	\$50 per month of attendance	Old age (taxpayers 65 years of age and over)	1,000	Taxpayers who are blind or confined to a wheelchair	1,000	Charitable donations, medical expenses and union dues:		Charitable donations:		Up to 20% of income.		Medical expenses:		Over 3% of income.		or		Standard deduction of \$100 (in lieu of claiming deductions for charitable donations and medical expenses).		Union or professional dues:		No restriction.		Child care expenses:		\$500 for each child under 14 years of age (maximum \$2,000 per family)		Employment expenses:		Up to 3% of employment income (maximum \$150).		Moving expenses:		Removal expenses incurred by a taxpayer who changes job.	
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<p>RATES</p> <p>Same as 1962.</p> <p>EXEMPTIONS AND DEDUCTIONS</p> <p>Same as 1960 except that the old age exemption of \$500 is restricted to persons 70 years of age and over.</p> <p>TAX ABATEMENTS, REDUCTIONS AND CREDITS</p> <p>Same as 1967.</p>	<p>RATES</p> <p>17% on the first \$500 of taxable income</p> <table> <tr> <td>\$ 85 on \$ 500 plus 18% on next \$ 500</td><td></td></tr> <tr> <td>175 " 1,000 " 19% " " 1,000</td><td></td></tr> <tr> <td>365 " 2,000 " 20% " " 1,000</td><td></td></tr> <tr> <td>565 " 3,000 " 21% " " 2,000</td><td></td></tr> <tr> <td>985 " 5,000 " 23% " " 2,000</td><td></td></tr> <tr> <td>1,445 " 7,000 " 25% " " 2,000</td><td></td></tr> <tr> <td>1,945 " 9,000 " 27% " " 2,000</td><td></td></tr> <tr> <td>2,485 " 11,000 " 31% " " 3,000</td><td></td></tr> <tr> <td>3,415 " 14,000 " 35% " " 10,000</td><td></td></tr> <tr> <td>6,915 " 24,000 " 39% " " 15,000</td><td></td></tr> <tr> <td>12,765 " 39,000 " 43% " " 21,000</td><td></td></tr> <tr> <td>21,795 " 60,000 " 47% " excess</td><td></td></tr> </table> <p>The old age security and social development taxes are eliminated as separate levies and the surtax and the 4% tax on investment income from sources outside of Canada are cancelled.</p> <p>EXEMPTIONS AND DEDUCTIONS</p> <table> <tr> <td>Single</td><td>\$1,500</td></tr> <tr> <td>Married</td><td>2,850</td></tr> <tr> <td>Dependents:</td><td></td></tr> <tr> <td>Children under 16</td><td>300</td></tr> <tr> <td>Other dependants</td><td>550</td></tr> <tr> <td>Students in full-time attendance at a post-secondary educational institution</td><td>\$50 per month of attendance</td></tr> <tr> <td>Old age (taxpayers 65 years of age and over)</td><td>1,000</td></tr> <tr> <td>Taxpayers who are blind or confined to a wheelchair</td><td>1,000</td></tr> <tr> <td>Charitable donations, medical expenses and union dues:</td><td></td></tr> <tr> <td>Charitable donations:</td><td></td></tr> <tr> <td>Up to 20% of income.</td><td></td></tr> <tr> <td>Medical expenses:</td><td></td></tr> <tr> <td>Over 3% of income.</td><td></td></tr> <tr> <td>or</td><td></td></tr> <tr> <td>Standard deduction of \$100 (in lieu of claiming deductions for charitable donations and medical expenses).</td><td></td></tr> <tr> <td>Union or professional dues:</td><td></td></tr> <tr> <td>No restriction.</td><td></td></tr> <tr> <td>Child care expenses:</td><td></td></tr> <tr> <td>\$500 for each child under 14 years of age (maximum \$2,000 per family)</td><td></td></tr> <tr> <td>Employment expenses:</td><td></td></tr> <tr> <td>Up to 3% of employment income (maximum \$150).</td><td></td></tr> <tr> <td>Moving expenses:</td><td></td></tr> <tr> <td>Removal expenses incurred by a taxpayer who changes job.</td><td></td></tr> </table> <p>TAX ABATEMENTS, REDUCTIONS AND CREDITS</p> <p>Provincial income tax abatement:</p> <p>All provinces other than Quebec:</p> <p>Nil.</p> <p>Quebec:</p> <p>24% of federal personal income tax.</p> <p>Tax reduction:</p> <p>3% of basic personal income tax.</p> <p>There is a dividend tax credit which operates as follows:</p> <p>Dividend income is increased by 33% and added to income and 80% of of the "grossed up" portion of the dividend is allowed as a credit against federal tax.</p>	\$ 85 on \$ 500 plus 18% on next \$ 500		175 " 1,000 " 19% " " 1,000		365 " 2,000 " 20% " " 1,000		565 " 3,000 " 21% " " 2,000		985 " 5,000 " 23% " " 2,000		1,445 " 7,000 " 25% " " 2,000		1,945 " 9,000 " 27% " " 2,000		2,485 " 11,000 " 31% " " 3,000		3,415 " 14,000 " 35% " " 10,000		6,915 " 24,000 " 39% " " 15,000		12,765 " 39,000 " 43% " " 21,000		21,795 " 60,000 " 47% " excess		Single	\$1,500	Married	2,850	Dependents:		Children under 16	300	Other dependants	550	Students in full-time attendance at a post-secondary educational institution	\$50 per month of attendance	Old age (taxpayers 65 years of age and over)	1,000	Taxpayers who are blind or confined to a wheelchair	1,000	Charitable donations, medical expenses and union dues:		Charitable donations:		Up to 20% of income.		Medical expenses:		Over 3% of income.		or		Standard deduction of \$100 (in lieu of claiming deductions for charitable donations and medical expenses).		Union or professional dues:		No restriction.		Child care expenses:		\$500 for each child under 14 years of age (maximum \$2,000 per family)		Employment expenses:		Up to 3% of employment income (maximum \$150).		Moving expenses:		Removal expenses incurred by a taxpayer who changes job.	
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1,945 " 9,000 " 27% " " 2,000																																																																							
2,485 " 11,000 " 31% " " 3,000																																																																							
3,415 " 14,000 " 35% " " 10,000																																																																							
6,915 " 24,000 " 39% " " 15,000																																																																							
12,765 " 39,000 " 43% " " 21,000																																																																							
21,795 " 60,000 " 47% " excess																																																																							
Single	\$1,500																																																																						
Married	2,850																																																																						
Dependents:																																																																							
Children under 16	300																																																																						
Other dependants	550																																																																						
Students in full-time attendance at a post-secondary educational institution	\$50 per month of attendance																																																																						
Old age (taxpayers 65 years of age and over)	1,000																																																																						
Taxpayers who are blind or confined to a wheelchair	1,000																																																																						
Charitable donations, medical expenses and union dues:																																																																							
Charitable donations:																																																																							
Up to 20% of income.																																																																							
Medical expenses:																																																																							
Over 3% of income.																																																																							
or																																																																							
Standard deduction of \$100 (in lieu of claiming deductions for charitable donations and medical expenses).																																																																							
Union or professional dues:																																																																							
No restriction.																																																																							
Child care expenses:																																																																							
\$500 for each child under 14 years of age (maximum \$2,000 per family)																																																																							
Employment expenses:																																																																							
Up to 3% of employment income (maximum \$150).																																																																							
Moving expenses:																																																																							
Removal expenses incurred by a taxpayer who changes job.																																																																							

TABLE II. Historical Summary of the Personal Income Taxes levied by the Province of Quebec, 1962 to 1972

1962	1964
<p>RATES</p> <p>2.5% on first \$1,000 of taxable income</p> <p>\$ 25 on \$ 1,000 plus 2.8% on next \$ 1,000</p> <p>53 " 2,000 " 3.2% " " 2,000</p> <p>117 " 4,000 " 3.6% " " 2,000</p> <p>189 " 6,000 " 4.3% " " 2,000</p> <p>275 " 8,000 " 5.0% " " 2,000</p> <p>375 " 10,000 " 5.8% " " 2,000</p> <p>491 " 12,000 " 6.6% " " 3,000</p> <p>689 " 15,000 " 7.5% " " 10,000</p> <p>1,439 " 25,000 " 8.3% " " 15,000</p> <p>2,684 " 40,000 " 9.1% " " 20,000</p> <p>4,504 " 60,000 " 9.9% " " 30,000</p> <p>7,474 " 90,000 " 10.8% " " 35,000</p> <p>11,254 " 125,000 " 11.6% " " 100,000</p> <p>22,854 " 225,000 " 12.4% " " 175,000</p> <p>44,554 " 400,000 " 13.2% " remainder</p> <p>Tax on investment income: ½ of 1% of such income in excess of the greater of \$2,400 or the total of personal exemptions.</p> <p>EXEMPTIONS AND DEDUCTIONS</p> <p>Single \$1,000</p> <p>Married 2,000</p> <p>Dependants:</p> <p>Children under 16 300</p> <p>Other dependants 550</p> <p>Old age (taxpayers 65 years of age and over) 500</p> <p>Other deductions: Similar to federal income tax deductions in Table I.</p> <p>TAX CREDIT</p> <p>Credit for dividends received from Canadian corporations equal to 15% of the federal credit.</p>	<p>Same as 1963.</p> <p>EXEMPTIONS AND DEDUCTIONS</p> <p>Same as 1962.</p> <p>TAX CREDIT</p> <p>Same as 1962.</p>
1963	1965
<p>RATES</p> <p>2.5% on first \$1,000 of taxable income</p> <p>\$ 25 on \$ 1,000 plus 2.8% on next \$ 1,000</p> <p>53 " 2,000 " 3.2% " " 2,000</p> <p>117 " 4,000 " 3.6% " " 2,000</p> <p>189 " 6,000 " 4.7% " " 2,000</p> <p>283 " 8,000 " 5.4% " " 2,000</p> <p>391 " 10,000 " 6.3% " " 2,000</p> <p>517 " 12,000 " 7.2% " " 3,000</p> <p>733 " 15,000 " 8.1% " " 10,000</p> <p>1,543 " 25,000 " 9.0% " " 15,000</p> <p>2,893 " 40,000 " 9.9% " " 20,000</p> <p>4,873 " 60,000 " 10.8% " " 30,000</p> <p>8,113 " 90,000 " 11.7% " " 35,000</p> <p>12,208 " 125,000 " 12.6% " " 100,000</p> <p>24,808 " 225,000 " 13.5% " " 175,000</p> <p>48,433 " 400,000 " 14.4% " remainder</p> <p>Tax on investment income: Same as 1962.</p> <p>EXEMPTIONS AND DEDUCTIONS</p> <p>Same as 1962.</p> <p>TAX CREDIT</p> <p>Same as 1962.</p>	<p>RATES</p> <p>4.8% on first \$1,000 of taxable income</p> <p>\$ 48 on \$ 1,000 plus 6.2% on next \$ 1,000</p> <p>110 " 2,000 " 7.5% " " 1,000</p> <p>185 " 3,000 " 8.4% " " 1,000</p> <p>269 " 4,000 " 9.7% " " 2,000</p> <p>463 " 6,000 " 11.4% " " 2,000</p> <p>691 " 8,000 " 13.2% " " 2,000</p> <p>955 " 10,000 " 15.4% " " 2,000</p> <p>1,263 " 12,000 " 17.6% " " 3,000</p> <p>1,791 " 15,000 " 19.8% " " 10,000</p> <p>3,771 " 25,000 " 22.0% " " 15,000</p> <p>7,071 " 40,000 " 24.2% " " 20,000</p> <p>11,911 " 60,000 " 26.4% " " 30,000</p> <p>19,831 " 90,000 " 28.6% " " 35,000</p> <p>29,841 " 125,000 " 30.8% " " 100,000</p> <p>60,641 " 225,000 " 33.0% " " 175,000</p> <p>118,391 " 400,000 " 35.2% " remainder</p> <p>Tax on investment income: Same as 1961.</p> <p>EXEMPTIONS AND DEDUCTIONS</p> <p>Same as 1962.</p> <p>TAX CREDIT</p> <p>The credit for dividends from Canadian corporations is increased to 45% of the corresponding federal credit.</p>
1966	1966
<p>RATES</p> <p>2.5% on first \$1,000 of taxable income</p> <p>\$ 25 on \$ 1,000 plus 2.8% on next \$ 1,000</p> <p>53 " 2,000 " 3.2% " " 2,000</p> <p>117 " 4,000 " 3.6% " " 2,000</p> <p>189 " 6,000 " 4.7% " " 2,000</p> <p>283 " 8,000 " 5.4% " " 2,000</p> <p>391 " 10,000 " 6.3% " " 2,000</p> <p>517 " 12,000 " 7.2% " " 3,000</p> <p>733 " 15,000 " 8.1% " " 10,000</p> <p>1,543 " 25,000 " 9.0% " " 15,000</p> <p>2,893 " 40,000 " 9.9% " " 20,000</p> <p>4,873 " 60,000 " 10.8% " " 30,000</p> <p>8,113 " 90,000 " 11.7% " " 35,000</p> <p>12,208 " 125,000 " 12.6% " " 100,000</p> <p>24,808 " 225,000 " 13.5% " " 175,000</p> <p>48,433 " 400,000 " 14.4% " remainder</p> <p>Tax on investment income: Same as 1962.</p> <p>EXEMPTIONS AND DEDUCTIONS</p> <p>Same as 1962.</p> <p>TAX CREDIT</p> <p>Same as 1962.</p>	<p>RATES</p> <p>5.2% on first \$1,000 of taxable income</p> <p>\$ 52 on \$ 1,000 plus 6.6% on next \$ 1,000</p> <p>118 " 2,000 " 8.0% " " 1,000</p> <p>198 " 3,000 " 8.9% " " 1,000</p> <p>287 " 4,000 " 10.3% " " 2,000</p> <p>493 " 6,000 " 12.2% " " 2,000</p> <p>737 " 8,000 " 14.1% " " 2,000</p> <p>1,019 " 10,000 " 16.5% " " 2,000</p> <p>1,349 " 12,000 " 18.8% " " 3,000</p> <p>1,913 " 15,000 " 21.2% " " 10,000</p> <p>4,033 " 25,000 " 23.5% " " 15,000</p> <p>7,558 " 40,000 " 25.9% " " 20,000</p> <p>12,738 " 60,000 " 28.2% " " 30,000</p> <p>21,198 " 90,000 " 30.6% " " 35,000</p> <p>31,908 " 125,000 " 32.9% " " 100,000</p> <p>64,808 " 225,000 " 35.3% " " 175,000</p> <p>126,583 " 400,000 " 37.6% " remainder</p> <p>Tax on investment income: ½ of 1% of the taxpayer's income from investment outside Canada, after deduction of \$2,400 or the total of his personal exemptions whichever is greater, plus allowable charitable donations and medical expenses.</p> <p>EXEMPTIONS AND DEDUCTIONS</p> <p>Same as 1962.</p> <p>TAX CREDIT</p> <p>Same as 1962.</p>

TABLE II. Historical Summary of the Personal Income Taxes levied by the Province of Quebec, 1962 to 1972 - Concluded

1967	1971																																
<p>RATES</p> <p>5.2% on first \$1,000 of taxable income</p> <table> <tr> <td>\$ 50 on \$ 1,000 plus 7.0% on next \$ 1,000</td><td></td></tr> <tr> <td>150 " 2,000 " 8.5% " " 1,000</td><td></td></tr> <tr> <td>210 " 3,000 " 9.5% " " 1,000</td><td></td></tr> <tr> <td>300 " 4,000 " 11.0% " " 2,000</td><td></td></tr> <tr> <td>360 " 6,000 " 13.5% " " 2,000</td><td></td></tr> <tr> <td>480 " 8,000 " 15.0% " " 2,000</td><td></td></tr> <tr> <td>600 " 10,000 " 17.5% " " 2,000</td><td></td></tr> <tr> <td>720 " 12,000 " 20.0% " " 3,000</td><td></td></tr> <tr> <td>840 " 15,000 " 22.5% " " 10,000</td><td></td></tr> <tr> <td>960 " 25,000 " 25.0% " " 15,000</td><td></td></tr> <tr> <td>1,080 " 40,000 " 27.5% " " 20,000</td><td></td></tr> <tr> <td>1,200 " 60,000 " 30.0% " " 30,000</td><td></td></tr> <tr> <td>1,320 " 90,000 " 32.5% " " 35,000</td><td></td></tr> <tr> <td>1,440 " 125,000 " 35.0% " " 100,000</td><td></td></tr> <tr> <td>1,560 " 225,000 " 37.5% " " 175,000</td><td></td></tr> <tr> <td>1,680 " 400,000 " 40.0% " remainder</td><td></td></tr> </table> <p>Tax on investment income: Rate increased to 2%; same base as 1966.</p> <p>EXEMPTIONS AND DEDUCTIONS</p> <p>The \$300 exemption for children under 16 is repealed effective July 1, 1967 (this leaves a deduction of \$150 available for the taxation year 1967).</p> <p>Low income: A full tax deduction is granted to every taxpayer whose net income does not exceed \$2,000 if single or \$4,000 if married.</p> <p>Other exemptions and deductions: Same as 1962.</p> <p>TAX CREDIT</p> <p>The credit for dividends from Canadian corporations is increased to 50% of the corresponding federal credit.</p>	\$ 50 on \$ 1,000 plus 7.0% on next \$ 1,000		150 " 2,000 " 8.5% " " 1,000		210 " 3,000 " 9.5% " " 1,000		300 " 4,000 " 11.0% " " 2,000		360 " 6,000 " 13.5% " " 2,000		480 " 8,000 " 15.0% " " 2,000		600 " 10,000 " 17.5% " " 2,000		720 " 12,000 " 20.0% " " 3,000		840 " 15,000 " 22.5% " " 10,000		960 " 25,000 " 25.0% " " 15,000		1,080 " 40,000 " 27.5% " " 20,000		1,200 " 60,000 " 30.0% " " 30,000		1,320 " 90,000 " 32.5% " " 35,000		1,440 " 125,000 " 35.0% " " 100,000		1,560 " 225,000 " 37.5% " " 175,000		1,680 " 400,000 " 40.0% " remainder		<p>RATES</p> <p>Same as November 1, 1970.</p> <p>EXEMPTIONS AND DEDUCTIONS</p> <p>Same as July 1, 1967.</p> <p>TAX CREDIT</p> <p>Same as 1967.</p>
\$ 50 on \$ 1,000 plus 7.0% on next \$ 1,000																																	
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1,560 " 225,000 " 37.5% " " 175,000																																	
1,680 " 400,000 " 40.0% " remainder																																	
	1972																																
	<p>CHANGES IN THE CONCEPT OF INCOME</p> <p>Income is broadened to include half of capital gains; half of capital losses are deductible from capital gains brought into income. Income is also broadened to include unemployment insurance benefits.</p> <p>RATES</p> <p>10% on first \$2,000 of taxable income</p> <table> <tr> <td>\$ 200 on \$ 2,000 plus 11% on next \$ 1,000</td><td></td></tr> <tr> <td>310 " 3,000 " 12% " " 2,000</td><td></td></tr> <tr> <td>550 " 5,000 " 14% " " 2,000</td><td></td></tr> <tr> <td>830 " 7,000 " 16% " " 2,000</td><td></td></tr> <tr> <td>1,150 " 9,000 " 18% " " 2,000</td><td></td></tr> <tr> <td>1,510 " 11,000 " 20% " " 3,000</td><td></td></tr> <tr> <td>2,110 " 14,000 " 22% " " 10,000</td><td></td></tr> <tr> <td>4,310 " 24,000 " 24% " " 15,000</td><td></td></tr> <tr> <td>7,910 " 39,000 " 26% " " 21,000</td><td></td></tr> <tr> <td>13,370 " 60,000 " 28% " remainder</td><td></td></tr> </table> <p>Health insurance tax: 8/10 of 1% of net income (maximum: \$125 if at least 3/4 of net income is salary, or \$200 otherwise).</p> <p>The tax on investment income and the 6% surtax are cancelled.</p> <p>EXEMPTIONS AND DEDUCTIONS</p> <p>Single \$1,500</p> <p>Married 2,850</p> <p>Dependants: Children 16 and 17 years of age: Part of the \$550 previously available, depending on the effective date of the revision to the family allowance program.</p> <p>Children 18 years of age and over \$550</p> <p>Old age (taxpayers 65 years of age and over) 650</p> <p>Low income: A full tax deduction is granted to every taxpayer whose net income does not exceed \$2,000 if single or \$4,000 if married.</p> <p>Employment expenses: Certain deductions are available for some expenses related to employment, such as the purchase of certain tools and special clothing, moving expenses and child care expenses.</p> <p>Other deductions: Union or professional dues: No restriction. Charitable donations: Up to 10% of income. Medical expenses: Over 3% of income.</p> <p>or</p> <p>Standard deduction of \$100 in lieu of claiming deductions for charitable donations and medical expenses.</p> <p>TAX CREDIT</p> <p>Credit for dividends from Canadian corporations: 50% of corresponding federal credit.</p>	\$ 200 on \$ 2,000 plus 11% on next \$ 1,000		310 " 3,000 " 12% " " 2,000		550 " 5,000 " 14% " " 2,000		830 " 7,000 " 16% " " 2,000		1,150 " 9,000 " 18% " " 2,000		1,510 " 11,000 " 20% " " 3,000		2,110 " 14,000 " 22% " " 10,000		4,310 " 24,000 " 24% " " 15,000		7,910 " 39,000 " 26% " " 21,000		13,370 " 60,000 " 28% " remainder													
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1968																																	
<p>RATES</p> <p>Same as in 1967 except for the imposition of a 6% surtax on the provincial personal income tax.</p> <p>EXEMPTIONS AND DEDUCTIONS</p> <p>Same as July 1, 1967.</p> <p>TAX CREDIT</p> <p>Same as 1967.</p>																																	
1969																																	
<p>RATES</p> <p>Same as 1968.</p> <p>EXEMPTIONS AND DEDUCTIONS</p> <p>Same as July 1, 1967.</p> <p>TAX CREDIT</p> <p>Same as 1967.</p>																																	
1970																																	
<p>RATES</p> <p>Same as in 1968 except for the imposition of a health insurance tax, at the rate of 8/10 of 1% of net income (maximum: \$125 if at least 3/4 of net income is salary, or \$200 otherwise), effective November 1, 1970.</p> <p>EXEMPTIONS AND DEDUCTIONS</p> <p>Same as July 1, 1967.</p> <p>TAX CREDIT</p> <p>Same as 1967.</p>																																	

TABLE III. Historical Summary of the Personal Income Taxes levied by the Provinces Other than Quebec, 1962 to 1972

Note: These provinces do not collect their own tax. It is collected on their behalf by the federal government. For years prior to 1971, their post is expressed as a percentage of the federal "basic" personal income tax. For 1972, it is expressed as a percentage of the revised federal personal income tax.

No.	Province	1962	1963	1964	1965	1966
1	Newfoundland.....	16	17	18	21	24
2	Prince Edward Island.....	16	17	18	21	24
3	Nova Scotia.....	16	17	18	21	24
4	New Brunswick.....	16	17	18	21	24
5	Ontario.....	16	17	18	21	24
6	Manitoba.....	22	23	24	26	29
7	Saskatchewan.....	22	23	24	27	29
8	Alberta.....	16	17	18	21	24
9	British Columbia.....	16	17	18	21	24

¹ Effective July 1, 1971.

² Effective April 1, 1969.

³ Effective July 1, 1969.

TABLE IV. Historical Summary of the Corporation Income Taxes levied by the Federal and Provincial Governments, 1962 to 1972

No.	Government	1962	1963	1964	1965	1966
1	Canada ¹	<p>All income other than dividend income: 18% on first \$35,000 of taxable income 47% on taxable income in excess of \$35,000 Plus 3% old age security tax on all taxable income</p> <p>Dividend income: Exempt</p>	Same as 1962	Same as 1962	Same as 1962	Same as 1962
2	Newfoundland.....	9% on same base as federal income tax	Same as 1962	Same as 1962	Same as 1962	Same as 1962
3	Prince Edward Island.....	9% on same base as federal income tax	Same as 1962	Same as 1962	Same as 1962	Same as 1962
4	Nova Scotia.....	9% on same base as federal income tax	Same as 1962	Same as 1962	Same as 1962	Same as 1962
5	New Brunswick.....	9% on same base as federal income tax	Same as 1962	Same as 1962	Same as 1962	Same as 1962
6	Quebec.....	12% on base very similar to federal income tax	Same as 1962	Same as 1962	Same as 1962	Same as 1962
7	Ontario.....	11% on base very similar to federal income tax	Same as 1962	Same as 1962	Same as 1962	Same as 1962
8	Manitoba.....	10% on same base as federal income tax	Same as 1962	Same as 1962	Same as 1962	Same as 1962
9	Saskatchewan.....	10% on same base as federal income tax	Same as 1962	Same as 1962	Same as 1962	Same as 1962
10	Alberta.....	9% on same base as federal income tax	Same as 1962	Same as 1962	Same as 1962	Same as 1962
11	British Columbia.....	9% on same base as federal income tax	Same as 1962	Same as 1962	Same as 1962	Same as 1962

¹ Under the Federal-Provincial Fiscal Arrangements, the federal corporations income tax was, until 1967, abated by an amount equal to 9% of corporation taxable income in all provinces other than Quebec and by an amount equal to 10% of corporation taxable income in Quebec. In 1967, the abatement became a uniform 10% of corporation taxable income in all provinces.

² These rates of tax take into account the special 7 percentage points reduction introduced in October 1971.

³ Effective April 1, 1968.

TABLE III. Historical Summary of the Personal Income Taxes levied by the Provinces Other than Quebec, 1962 to 1972

Note: These provinces do not collect their own tax. It is collected on their behalf by the federal government. For years prior to 1971, their income is expressed as a percentage of the federal "basic" personal income tax. For 1972, it is expressed as a percentage of the revised federal personal income tax.

1967	1968	1969	1970	1971	1972	No.
28	Same as 1967	33	Same as 1969	Same as 1969	36.0	1
28	Same as 1967	Same as 1967	Same as 1967	33 ¹	36.0	2
28	Same as 1967	Same as 1967	Same as 1967	Same as 1967	38.5	3
28	Same as 1967	38 ²	Same as April 1, 1969	Same as April 1, 1969	41.5	4
28	Same as 1967	Same as 1967	Same as 1967	27.5	29.585	5
28	Same as 1967	Same as 1967	39	Same as 1970	42.5	6
28	Same as 1967	Same as 1967	34	Same as 1970	37.0	7
28	Same as 1967	33 ³	Same as July 1, 1969	Same as July 1, 1969	36.0	8
28	Same as 1967	Same as 1967	Same as 1967	Same as 1967	30.5	9

TABLE IV. Historical Summary of the Corporation Income Taxes levied by the Federal and Provincial Governments, 1962 to 1972

1967	1968	1969	1970	1971	1972	No.
Same as 1962	Same as 1962 except for imposition of 3% surtax on tax other than old age security tax	Same as 1968	Same as 1968	Same as 1968 until July 1. Effective July 1, repeal of 3% surtax and reduction of 7 percentage points of other rates.	Business income:² Public corporations: 43% of taxable income. Canadian-controlled private corporations: 18% on the first \$50,000 of taxable income and 43% on taxable income in excess of \$50,000. Investment income other than dividend income:² Public and private corporations: 43% of such income subject to the provision that half the tax paid by private corporations is refunded when dividends are paid to shareholders. Dividend income: Public corporations: Generally exempt. Private corporations: Exempt if received from subsidiary corporations; 33 1/3% of such income if received from non-subsidiary corporations but fully refunded if paid to shareholders.	1
11%	12% ³	13%	Same as 1969	Same as 1969	Same as 1969	2
10%	Same as 1967	Same as 1967	Same as 1967	Same as 1967	Same as 1967	3
10%	Same as 1967	Same as 1967	Same as 1967	Same as 1967	Same as 1967	4
10%	Same as 1967	Same as 1967	Same as 1967	Same as 1967	Same as 1967	5
Same as 1962	Same as 1962	Same as 1962	Same as 1962	Same as 1962 ⁴	Same as 1962	6
Same as 1962	12%	Same as 1968	Same as 1968	Same as 1968 ⁵	Same as 1968	7
11%	Same as 1967	Same as 1967	13%	Same as 1970	Same as 1970	8
11%	Same as 1967	Same as 1967	Same as 1967	Same as 1967	Same as 1967	9
10%	Same as 1967	11% ⁶	Same as 1969	Same as 1969	Same as 1969	10
10%	Same as 1967	Same as 1967	Same as 1967	Same as 1967	Same as 1967	11

¹ Corporations investing during the period April 1, 1971, to March 31, 1974, more than \$150,000 of their profits in designated areas in new technological processes or in the production of goods not yet produced in Quebec can benefit from tax credits ranging from 50% to 100% of the amounts invested.

² Credit granted against corporations income tax, equal to 5% of eligible investment in machinery and equipment purchased and used in Ontario during the period April 26, 1971, and March 31, 1973. Deduction from income of the interest paid on money borrowed to purchase shares in other corporations during corporation fiscal years ended after April 26, 1971.

³ Effective July 1, 1969.

TABLE V. Historical Summary of the General Sales Taxes levied by the Federal and Provincial Governments, 1962 to 1972

No.		1962	1963	1964	1965	1966
	RATES					
	1. Federal sales tax (imposed on manufacturer's selling price of domestic products and duty paid value of imported goods):					
1	(a) General rate	8%	Same as 1962	Same as 1962	Same as 1962	Same as 1962
2	(b) Old age security tax	3%				
3	(c) Combined rate (a + b)	11%				
	(d) Special rates:					
4	(i) Most building materials	¹	4% effective June 14	4% to March 31, 8% effective April 1	²	²
5	(ii) Production machinery	¹	4% effective June 14	4% to March 31, 8% effective April 1	²	²
6	(iii) Dies, jigs, fixtures and moulds and patterns therefor and tooling for production machinery	¹	4% effective June 14	4% to March 31, 8% effective April 1	²	Exempt effective March 30
	2. Provincial sales taxes (imposed on retail price):					
7	(1) Newfoundland	5%	Same as 1962	Same as 1962	Same as 1962	Same as 1962
8	(2) Prince Edward Island	4%	5% (effective April 23)	Same as April 23, 1963	Same as April 23, 1963	Same as April 23, 1963
9	(3) Nova Scotia	5%	Same as 1962	Same as 1962	Same as 1962	Same as 1962
10	(4) New Brunswick	3%	Same as 1962	Same as 1962	Same as 1962	Same as 1962
11	(5) Quebec	4%	Same as 1962	6% (effective April 1)	Same as April 1, 1964	Same as April 1, 1964
	(6) Ontario:					
12	(a) General	3%	Same as 1962	Same as 1962	Same as 1962	5% (effective April 1)
13	(b) Meals and alcoholic beverages ..	3%	Same as 1962	Same as 1962	Same as 1962	5% (effective April 1)
	(7) Manitoba:					
14	(a) General	—	—	—	—	—
15	(b) Spirits, wines and imported beer	—	—	—	—	—
16	(8) Saskatchewan	5%	Same as 1962	Same as 1962	4% (effective February 20)	Same as February 20, 1965
17	(9) British Columbia	5%	Same as 1962	Same as 1962	Same as 1962	Same as 1962
	CHANGES IN EXEMPTIONS					
18	(Unless otherwise indicated, the following are new exemptions)		Quebec: Farm produce; commercial vessels.		Prince Edward Island: Soft drinks. Quebec: Former exemption for meals under \$1.00 raised to meals under \$1.25. Saskatchewan: Insecticides.	British Columbia: Candy; soft drinks; all meals.
	TAX ON SERVICES					
19		British Columbia: Telephone services.	Nova Scotia: Long distance telephone calls.		Quebec: Hotel and motel accommodations; long distance telephone calls; telecommunications.	Ontario: Telephone services and telecommunications.

¹ Exempt from federal sales tax.

TABLE V. Historical Summary of the General Sales Taxes levied by the Federal and Provincial Governments, 1962 to 1972

1967	1968	1969	1970	1971	1972	No.	
<div><div>12%</div><div>Effective January 1</div></div>	<div>Same as 1967</div> <div>Same as 1967</div> <div>1</div> <div>1</div>	Same as 1967	Same as 1967	Same as 1967	<div><div>12%</div><div>Effective January 1</div></div>	1	
11% effective January 1		Same as 1967	Same as 1967	Same as 1967	Same as 1967		2
11% to March 31, 6% from April 1 to June 2, except effective June 2		1	1	1	1		3
		1	1	1	1		4
							5
							6
<div>5% (effective April 1)</div> <div>Same as April 23, 1963</div> <div>Same as 1962</div>	<div>7% (effective April 1)</div> <div>Same as April 23, 1963</div> <div>Same as 1962</div>	<div>Same as April 1, 1968</div> <div>7% (effective April 15)</div> <div>7% (effective April 4)</div>	<div>Same as April 1, 1968</div> <div>Same as April 15, 1969</div> <div>Same as April 4, 1969</div>	<div>Same as April 1, 1968</div> <div>8% (effective March 19)</div> <div>Same as April 4, 1969</div>	<div>Same as April 1, 1968</div> <div>Same as March 19, 1971</div> <div>Same as April 4, 1969</div>	7	
<div>6% (effective January 1)</div> <div>7% (effective March 17)</div>	<div>Same as January 1, 1967</div> <div>Same as March 17, 1967</div>	<div>8% (effective April 1)</div> <div>Same as March 17, 1967</div>	<div>Same as April 1, 1969</div> <div>Same as March 17, 1967</div>	<div>Same as April 1, 1969</div> <div>Same as March 17, 1967</div>	<div>Same as April 1, 1969</div> <div>Same as March 17, 1967</div>	8	
<div>Same as April 1, 1966</div> <div>Same as April 1, 1966</div>	<div>Same as April 1, 1966</div> <div>Same as April 1, 1966</div>	<div>Same as April 1, 1966</div> <div>10% (effective April 1)</div>	<div>Same as April 1, 1966</div> <div>Same as April 1, 1969</div>	<div>Same as April 1, 1966</div> <div>Same as April 1, 1969</div>	<div>Same as April 1, 1966</div> <div>Same as April 1, 1969</div>	9	
<div>9% (effective June 1)</div> <div>7% (effective June 1)</div> <div>Same as February 20, 1965</div> <div>Same as 1962</div>	<div>Same as June 1, 1967</div> <div>Same as June 1, 1967</div> <div>5% (effective March 2)</div> <div>Same as 1962</div>	<div>Same as June 1, 1967</div> <div>Same as June 1, 1967</div> <div>Same as March 2, 1968</div> <div>Same as 1962</div>	<div>Same as June 1, 1967</div> <div>Same as June 1, 1967</div> <div>Same as March 2, 1968</div> <div>Same as 1962</div>	<div>Same as June 1, 1967</div> <div>Same as June 1, 1967</div> <div>Same as March 2, 1968</div> <div>Same as 1962</div>	<div>Same as June 1, 1967</div> <div>10% (effective June 1)</div> <div>Same as March 2, 1968</div> <div>Same as 1962</div>	10	
<div>Federal sales tax:</div> <div>Drugs and medicines; more orthopaedic appliances; production machinery.</div> <div>Manitoba:</div> <div>Introduction of general sales tax (for list of exemptions see Table 3 on page xx).</div> <div>British Columbia:</div> <div>Draught beer.</div>	<div>Saskatchewan:</div> <div>Former exemption for all meals restricted to meals under \$2.00.</div>	<div>Ontario:</div> <div>Meals under \$2.51. Repeal of exemption for industrial machinery.</div> <div>British Columbia:</div> <div>Newspapers and periodicals sold over the counter; classroom supplies.</div>	<div>Saskatchewan:</div> <div>Electricity used for heating. Repeal of exemption for meals under \$2.00.</div>	<div>Prince Edward Island:</div> <div>Railway rolling stock; commercial vessels.</div> <div>New Brunswick:</div> <div>Building materials.</div>	<div>Newfoundland:</div> <div>Children's clothing.</div> <div>Quebec:</div> <div>Industrial production equipment.</div> <div>Ontario:</div> <div>Repeal of exemption for draught beer, which becomes taxable as in (b).</div> <div>Manitoba:</div> <div>Safety clothing. Increase of rate from 5% to 10% on spirits, wines and imported beer. Repeal of exemptions for production machinery and vessels over 200 tons gross.</div> <div>Saskatchewan:</div> <div>Meals under \$2.51.</div>	11	
<div>Manitoba:</div> <div>Hotel and motel accommodations; telephone services over 40c; telecommunications; repairs; laundry and dry-cleaning; printing; photography; microfilming, etc.</div>	<div>New Brunswick:</div> <div>Hotel and motel accommodations; telecommunications.</div> <div>Saskatchewan:</div> <div>Hotel and motel accommodations; telephone services; telecommunications.</div>	<div>Newfoundland:</div> <div>Hotel and motel accommodations; telephone services; telecommunications; repairs; laundry and dry-cleaning.</div> <div>New Brunswick:</div> <div>Laundry and dry-cleaning.</div> <div>Ontario:</div> <div>Hotel and motel accommodations.</div>	<div>British Columbia:</div> <div>Hotel and motel accommodations.</div>	<div>Nova Scotia:</div> <div>Hotel and motel accommodations.</div>		12	

* Subject to federal sales tax at the full rate.

TABLE VI. Historical Summary of the Taxes on Motive Fuels and Tobacco Products levied by the Provincial Governments, 1962 to 1972

No.	Province	1962	1963	1964	1965	1966
Newfoundland:						
1	Motive fuel	19¢ per gallon	Same as 1962	Same as 1962	Same as 1962	Same as 1962
2	Cigarettes	Nil	Nil	¼ of 1¢ each	Same as July 1, 1964	Same as July 1, 1964
3	Cigars	Nil	Nil	1¢ to 5¢ each		
4	Tobacco	Nil	Nil	1¢ per ½ oz. unit (effective July 1)		
Prince Edward Island:						
5	Gasoline	16¢ per gallon	18¢ per gallon (effective April 23)	Same as April 23, 1963	Same as April 23, 1963	Same as April 23, 1963
6	Diesel fuel	16¢ per gallon	18¢ per gallon (effective April 23)	Same as April 23, 1963	Same as April 23, 1963	Same as April 23, 1963
7	Cigarettes	1/5 of 1¢ each	Same as 1962	Same as 1962	Same as 1962	Same as 1962
8	Cigars	1¢ to 3¢ each				
9	Other tobacco	10%				
Nova Scotia:						
10	Gasoline	19¢ per gallon	Same as 1962	Same as 1962	Same as 1962	Same as 1962
11	Diesel fuel	27¢ per gallon	Same as 1962	Same as 1962	Same as 1962	Same as 1962
12	Aviation fuel	Nil	Nil	Nil	Nil	Nil
13	Cigarettes	1/10 of 1¢ each	Same as 1962	Same as 1962	Same as 1962	Same as 1962
14	Other tobacco products	5%				
New Brunswick:						
15	Gasoline	18¢ per gallon	Same as 1962	Same as 1962	Same as 1962	Same as 1962
16	Diesel fuel	23¢ per gallon	Same as 1962	Same as 1962	Same as 1962	Same as 1962
17	Aviation fuel	Nil	Nil	Nil	Nil	Nil
18	Cigarettes	1/5 of 1¢ each	Same as 1962	Same as 1962	Same as 1962	Same as 1962
19	Cigars	1¢ to 3¢ each				
20	Other tobacco products	10%				
Quebec:						
21	Gasoline	13¢ per gallon	15¢ per gallon	Same as April 6, 1963	16¢ per gallon	Same as April 8, 1965
22	Diesel fuel	18½¢ per gallon	21¢ per gallon (effective April 6)		22¢ per gallon (effective April 8)	
23	Aviation fuel	Nil	Nil	Nil	Nil	Nil
24	Cigarettes	1/5 of 1¢ each	Same as 1962	Same as 1962	6/25 of 1¢ each	Same as April 8, 1965
25	Cigars	10% (when over 5¢)			12% (when over 5¢)	
26	Manufactured tobacco	10%			12% (effective April 8)	
Ontario:						
27	Motive fuel	13¢ per gallon	Same as 1962	15¢ per gallon	Same as February 13, 1964	16¢ per gallon
28	Diesel fuel	18½¢ per gallon		21½¢ per gallon (effective February 13)		22¢ per gallon (effective April 1)
29	Aviation fuel	Nil	Nil	Nil	Nil	Nil
30	Cigarettes	Nil	Nil	Nil	Nil	1/20 of 1¢ each to April 1; 1/10 of 1¢ from April 1
31	Cigars	Nil	Nil	Nil	Nil	1/5 of 1¢ per 5¢
32	Tobacco	Nil	Nil	Nil	Nil	1¢ per oz. to April 1; 1¢-2¢ per oz. from April 1

Note: The taxes on motive fuels do not apply in all instances. Generally speaking all provinces provide either complete or partial exemptions for motive fuels used in farming operations. Similarly, several provinces provide either complete or partial exemptions for motive fuels used in the commercial fisheries. See Table 5 "Miscellaneous Provincial Taxes" for a description of these exemptions.

TABLE VI. Historical Summary of the Taxes on Motive Fuels and Tobacco Products levied by the Provincial Governments, 1962 to 1972

1967	1968	1969	1970	1971	1972	No.
20¢ per gallon (effective April 1)	25¢ per gallon (effective April 1)	Same as April 1, 1968	Same as April 1, 1968	Same as April 1, 1968	Same as April 1, 1968	1
Same as July 1, 1964	{ ½ of 1¢ each 2¢ to 10¢ each 2¢ per ½ oz. unit (effective April 1)	Same as April 1, 1968	Same as April 1, 1968	Same as April 1, 1968	1¢ each	2
					1¢ to 20¢ each	3
					4¢ per ½ oz. unit (effective June 1)	4
Same as April 13, 1968	21¢ per gallon (effective March 20)	Same as March 20, 1968	Same as March 20, 1968	Same as March 20, 1968	Same as March 20, 1968	5
Same as April 23, 1963	21¢ per gallon (effective March 20)	Same as March 20, 1968	Same as March 20, 1968	Same as March 20, 1968	25¢ per gallon (effective April 19)	6
Same as 1962	{ 2/5 of 1¢ each 20% 20% (effective March 20)	Same as March 20, 1968	Same as March 20, 1968	Same as March 20, 1968	Same as March 20, 1968	7
						8
Same as 1962	Same as 1962	21¢ per gallon (effective April 4)	Same as April 4, 1969	Same as April 4, 1969	Same as April 4, 1969	9
Same as 1962	Same as 1962	Same as 1962	Same as 1962	Same as 1962	Same as 1962	10
Nil	Nil	Nil	Nil	3¢ per gallon (effective August 1)	Same as August 1, 1971	11
Same as 1962	Same as 1962	{ 4/10 of 1¢ each (effective April 4)	Same as April 4, 1969	Same as April 4, 1969	Same as April 4, 1969	12
						13
Same as 1962	19¢ per gallon (effective April 1)	20¢ per gallon (effective April 1)	Same as April 1, 1969	Same as April 1, 1969	Same as April 1, 1969	14
Same as 1962	Same as 1962	Same as 1962	Same as 1962	Same as 1962	Same as 1962	15
Nil	Nil	Nil	Nil	3¢ per gallon (effective May 15)	Same as May 15, 1971	16
Same as 1962	Same as 1962	{ 2/5 of 1¢ each 1¢ for each 5¢ 4¢ per oz. (effective April 1)	Same as April 1, 1969	Same as April 1, 1969	Same as April 1, 1969	17
						18
Same as April 8, 1965	{ 19¢ per gallon 25¢ per gallon 3¢ per gallon (effective March 28)	Same as March 28, 1968	Same as March 28, 1968	Same as March 28, 1968	Same as March 28, 1968	19
						20
						21
Same as April 8, 1965	{ 2/5 of 1¢ each 20% (when over 10¢) 20% (effective March 28)	Same as March 28, 1968	Same as March 28, 1968	Same as March 28, 1968	Same as March 28, 1968	22
						23
Same as April 1, 1966	{ 18¢ per gallon 24¢ per gallon 3¢ per gallon (effective March 13) 3/10 of 1¢ each	Same as March 13, 1968	Same as March 13, 1968	Same as March 13, 1968	{ 19¢ per gallon 25¢ per gallon (effective March 29) 3¢ per gallon	24
						25
						26
Same as April 1, 1966	{ ½ of 1¢ per 5¢ 2½¢ per oz. (effective March 13)	½ of 1¢ per 5¢ 2½¢ per oz. (effective March 5)	Same as March 5, 1969	Same as March 5, 1969	{ 0.46 of 1¢ each 1¢ per 5¢ 2½¢ per ½ oz. (effective March 29)	27
						28
						29
						30
						31
						32

TABLE VI. Historical Summary of the Taxes on Motive Fuels and Tobacco Products levied by the Provincial Governments, 1962 to 1972 - Concluded

No.	Province	1962	1963	1964	1965	1966
Manitoba:						
1	Gasoline	14¢ per gallon	Same as 1962	17¢ per gallon	Same as October 19, 1964	Same as October 19, 1964
2	Motive fuel	17¢ per gallon		20¢ per gallon		
3	Aviation fuel	Nil		2¢ per gallon (effective October 19)		
4	Cigarettes.....	Nil	1/5 of 1¢ each	2/5 of 1¢ each	Same as October 19, 1964	Same as October 19, 1964
5	Cigars	Nil	1¢ to 5¢ each	1¢ to 10¢ each		
6	Manufactured tobacco	Nil	1¢ per ½ oz. (effective April 27)	2¢ per ½ oz. (effective October 19)		
Saskatchewan:						
7	Gasoline	14¢ per gallon	Same as 1962	Same as 1962	Same as 1962	15¢ per gallon 18¢ per gallon (effective March 15)
8	Diesel fuel	17¢ per gallon				
9	Aviation fuel	Nil	Nil	Nil	Nil	Nil
10	Cigarettes.....	Nil	Nil	Nil	1/5 of 1¢ each	Same as April 1, 1965
11	Cigars	Nil	Nil	Nil	1¢ to 5¢ each	
12	Manufactured tobacco	Nil	Nil	Nil	1¢ per oz. (effective April 1)	
Alberta:						
13	Gasoline	12¢ per gallon	Same as 1962	Same as 1962	Same as 1962	Same as 1962
14	Diesel fuel	14¢ per gallon				
15	Aviation fuel	Nil	Nil	Nil	Nil	Nil
16	Cigarettes.....	Nil	Nil	Nil	Nil	Nil
17	Cigars	Nil	Nil	Nil	Nil	Nil
18	Tobacco.....	Nil	Nil	Nil	Nil	Nil
British Columbia:						
19	Gasoline	13¢ per gallon	Same as 1962	Same as 1962	Same as 1962	Same as 1962
20	Motive fuel	15¢ per gallon				
21	Aviation fuel	1¢ per gallon				
22	Cigarettes.....	Nil	Nil	Nil	Nil	Nil
23	Cigars.....	Nil	Nil	Nil	Nil	Nil
24	Other tobacco products.....	Nil	Nil	Nil	Nil	Nil
Yukon:						
25	Motive fuel	7¢ per gallon	8¢ per gallon	9¢ per gallon	Same as 1964	Same as 1964
26	Aviation fuel.....	Nil	Nil	Nil	Nil	Nil
Northwest Territories:						
27	Gasoline	3¢ per gallon	4½¢ per gallon	6¢ per gallon	7½¢ per gallon	9¢ per gallon
28	Diesel fuel	2¢ per gallon	2½¢ per gallon	3¢ per gallon	3½¢ per gallon	4¢ per gallon
29	Aviation fuel	Nil	1½¢ per gallon	Same as 1963	Same as 1963	Same as 1963

TABLE VI. Historical Summary of the Taxes on Motive Fuels and Tobacco Products levied by the Provincial Governments, 1962 to 1972 - Concluded

1967	1968	1969	1970	1971	1972	No.
						1
Same as October 19, 1964	Same as October 19, 1964	Same as October 19, 1964	Same as October 19, 1964	Same as October 19, 1964	Same as October 19, 1964	2
						3
Same as October 19, 1964	Same as October 19, 1964	Same as October 19, 1964	Same as October 19, 1964	Same as October 19, 1964	3/5 of 1¢ each	4
					1¢ to 15¢ each	5
					3¢ per ½ oz. (effective May 1)	6
Same as March 15, 1968	17¢ per gallon 20¢ per gallon (effective March 1)	Same as March 1, 1968	19¢ per gallon 21¢ per gallon	Same as March 3, 1970	Same as March 3, 1970	7
Nil	2¢ per gallon (effective April 2)	Same as April 2, 1968	4¢ per gallon (effective March 3)			8
1/5 of 1¢ each	8/25 of 1¢ and 9/25 of 1¢ each					9
1¢ to 5¢ each	1¢ to 10¢ each	Same as March 1, 1968	Same as March 1, 1968	Same as March 1, 1968	Same as March 1, 1968	10
1¢ per ½ oz.	2¢ per ½ oz. (effective March 1)					11
						12
Same as 1962	15¢ per gallon 17¢ per gallon	Same as June 1, 1968	Same as June 1, 1968	Same as June 1, 1968	Same as June 1, 1968	13
Nil	3¢ per gallon (effective June 1)					14
Nil	Nil	8/25 of 1¢ each				15
Nil	Nil	1¢ to 9¢ each	Same as June 30, 1969	Same as June 30, 1969	Same as June 30, 1969	16
Nil	Nil	64¢ per lb. (effective June 30)				17
						18
Same as 1962	Same as 1962	Same as 1962	Same as 1962	15¢ per gallon 17¢ per gallon 3¢ per gallon (effective February 5)	Same as February 5, 1971	19
Nil	Nil	Nil	Nil	8/25 of 1¢ each		20
Nil	Nil	Nil	Nil	1¢ to 9¢ each	Same as February 5, 1971	21
Nil	Nil	Nil	Nil	2¢ per ½ oz. (effective February 5)		22
Same as 1964	4¢ per gallon (effective January 23)	Same as January 23, 1968	Same as January 23, 1968	14¢ per gallon	Same as 1971	23
Nil	Nil	Nil	Nil	2¢ per gallon (effective April 1)	Same as April 1, 1971	24
10¢ per gallon	11¢ per gallon (effective April 1)	12¢ per gallon	Same as 1969	14¢ per gallon (effective April 1)		25
8¢ per gallon	8¢ per gallon (effective April 1)	10¢ per gallon (effective April 1)	12¢ per gallon (effective April 1)	15¢ per gallon (effective April 1)	Same as April 1, 1971	26
Same as 1963	Same as 1963	Same as 1963	Same as 1963	2½¢ per gallon (effective April 1)		27
						28
						29

TABLE VII. Historical Summary of the Federal Taxes on Alcoholic Beverages and Tobacco Products, 1962 to 1972

	1962	1963 to 1966 inclusive	1967	1968 to 1972 inclusive
1. Beer	Excise duty of 38¢ per gallon	Same as 1962	Increased to 42¢ effective December 1	Same as December 1, 1967
2. Spirituous beverages other than Canadian brandy	Excise duty of \$13.00 per proof gallon	Same as 1962	Increased to \$14.25 effective December 1	Same as December 1, 1967
3. Canadian brandy	Excise duty of \$11.00 per proof gallon	Same as 1962	Increased to \$12.25 effective December 1	Same as December 1, 1967
4. Spirits sold to druggists and used in the preparation of prescriptions	Excise duty of \$1.50 per proof gallon	Same as 1962	Same as 1962	Same as 1962
5. Imported spirits taken into bonded manufactory..	Excise duty of 30¢ per proof gallon (in addition to other duties)	Same as 1962	Same as 1962	Same as 1962
6. Wines:				
(a) Containing 7% or less of absolute alcohol by volume.....	Excise tax of 25¢ per gallon	Same as 1962	Increased to 27½¢ effective December 1	Same as December 1, 1967
(b) Non-sparkling and containing more than 7% of absolute alcohol by volume but not over 40% of proof spirit.....	Excise tax of 50¢ per gallon	Same as 1962	Increased to 55¢ effective December 1	Same as December 1, 1967
(c) Champagne and other sparkling wines.....	Excise tax of \$2.50 per gallon	Same as 1962	Increased to \$2.55 effective December 1	Same as December 1, 1967
7. Cigarettes.....	Excise tax of 2½¢ per 5 cigarettes plus excise duty of \$4 per 1,000 cigarettes weighing less than 3 lb. per 1,000 or \$5 per 1,000 cigarettes weighing more than 3 lb. per 1,000.	Same as 1962	Increase of excise tax to 3¢ per 5 cigarettes effective December 1	Same as December 1, 1967
8. Cigars	Excise tax of 15% plus excise duty of \$2 per 1,000 cigars	Same as 1962	Increase of excise tax to 17½% effective December 1	Same as December 1, 1967
9. Manufactured tobacco.....	Excise tax of 80¢ per lb. plus excise duty of 35¢ per lb.	Same as 1962	Increase of excise tax to 90¢ per lb. effective December 1	Same as December 1, 1967
10. Canadian raw leaf tobacco	Excise duty of 10¢ per lb.	Same as 1962	Same as 1962	Same as 1962

Notes: 1. All goods subject to federal excise tax and/or duty are also subject to the federal manufacturers' sales tax; however, while the manufacturers' sales tax is applicable to excise duty, it is not levied on excise tax.

2. Excise duties and certain excise taxes do not apply to imported commodities; the customs duty rates applicable to imported products are set, however, to take account of these excises.

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