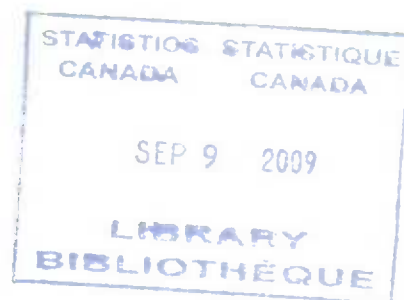


Principal taxes and rates

FEDERAL, PROVINCIAL
AND LOCAL GOVERNMENTS

1973



STATISTICS CANADA

Public Finance Division

PRINCIPAL TAXES AND RATES

FEDERAL, PROVINCIAL AND LOCAL GOVERNMENTS

1973

Published by Authority of
The Minister of Industry, Trade and Commerce

January 1974
4-2101-504

Price: \$1.00

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Information Canada
Ottawa

TABLE OF CONTENTS

	Page
Introduction and General Commentary	5
PART I. Income, Capital, Gift and Inheritance Taxes	
Table	
1. Income Taxes levied by the Federal Government	11
2. Income Capital, Gift and Inheritance Taxes levied by Provincial Governments	14
PART II. General Sales Taxes	
3. General Sales Taxes levied by the Federal and Provincial Governments	22
PART III. Other Important Taxes levied by the Federal and Provincial Governments	
4. Excise Duties and Excise Taxes levied by the Federal Government	31
5. Miscellaneous Provincial Taxes:	
Amusement Taxes	32
Motive and Other Fuel Taxes	32
Motor vehicle Registrations and Driving Permits	34
Insurance Premium Taxes	36
Mining Taxes	38
Race Track Taxes	38
Tobacco Taxes	40
Hospitalization and Medical Care Premiums and Payroll Taxes	40
Other Taxes (alcoholic beverages taxes, land transfer taxes, meals and lodging taxes, telecommunications taxes, logging taxes, etc.)	42
PART IV. Real Property Taxes	
Provincial and Local Governments	47
PART V. Historical Summaries of Selected Taxes	
Table	
I. Historical Summary of the Personal Income Taxes levied by the Federal Government, 1963 to 1973	52
II. Historical Summary of the Personal Income Taxes levied by the Province of Quebec, 1963 to 1973	54
III. Historical Summary of the Personal Income Taxes levied by the Provinces Other than Quebec, 1963 to 1973	56
IV. Historical Summary of the Corporation Income Taxes levied by the Federal and Pro- vincial Governments, 1963 to 1973	56
V. Historical Summary of the General Sales Taxes levied by the Federal and Provincial Governments, 1963 to 1973	58
VI. Historical Summary of the Taxes on Motive Fuels and Tobacco Products levied by the Provincial Governments, 1963 to 1973	62
VII. Historical Summary of the Federal Taxes on Alcoholic Beverages and Tobacco Pro- ducts, 1963 to 1973	66

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, Capital Gift and Inheritance Taxes

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, 1973.

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, gift taxes, taxes on paid-up or utilized capital 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 manufacturers' 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

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.

federal government; the Quebec abatement is equal to 24 percentage points of the basic federal tax. In the other provinces, provincial personal income tax is expressed as a percentage of basic federal tax but there is no abatement of the federal levy. 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 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

Prince Edward Island, Quebec and Alberta, and the provincial succession duties for Newfoundland, Nova Scotia, New Brunswick, Manitoba and Saskatchewan.²

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.

² Prince Edward Island and Alberta do not impose gift taxes or succession duties. Prince Edward Island enacted gift tax and succession duty legislation in 1972 but the statutes concerned were rescinded in 1973 retroactively to January 1, 1972 (see the commentary of Part I "Income, Capital, Gift and Inheritance Taxes").

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 Tax Act; R.S.C. 1970, c.E13 and amendments.

PART I

INCOME, CAPITAL, GIFT AND INHERITANCE TAXES

INCOME TAXES LEVIED BY THE FEDERAL GOVERNMENT

General

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. For tax purposes income encompasses salaries, wages, commissions and all other forms of personal remuneration as well as returns on investment, profits arising from industrial and/or commercial activities, and half of capital gains. The federal Income Tax Act also imposes a tax on certain payments to non-residents. Canada has entered into income tax conventions with several countries to avoid double taxation of the same income and prevent fiscal evasion.

The taxation of capital gains is a relatively new development in Canada. It followed from the general reform of the federal income tax system that became operative on January 1, 1972. Half of capital gains realized in a taxation year must be brought into income to be taxed at normal personal or corporation rates. Half of capital losses can be deducted from the capital gains brought into income. If an individual does not have sufficient capital gains to offset his capital losses, he can reduce his income from other sources by as much as \$1,000 of deductible capital losses. 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 that does not exceed \$1,000. Also exempt from taxation is any farm that passes at death to a child or children of the deceased and which continues to be used for agricultural purposes. For other dispositions of farm property, farmers have a choice of being exempt on any gain realized on the sale of the principal residence or, alternatively, of deducting \$1,000 per year of possession from the gain realized on the sale of the entire farm property including the principal residence.

Personal income was further broadened under the federal income tax reform by the inclusion of the following amounts:

- (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.

The federal income tax reform also melded the various imposts previously levied on personal income into a single tax at graduated rates which ranged from

17% on the first \$500 of taxable income to 47% on taxable income in excess of \$60,000 for the 1972 taxation year¹. For the 1973 taxation year, the initial tax rate was to be reduced to 15%. For the 1974 taxation year, it was to be brought down to 12%. For the 1975 and 1976 taxation years, it was to be further reduced to 9% and 6% respectively. Thus the rates of the basic federal tax in 1976 were to be as follows:

6% on the first \$500 of taxable income

\$	30 on \$	500 plus 18% on next \$	500
120	"	1,000	" 19% " " 1,000
310	"	1,000	" 20% " " 1,000
510	"	3,000	" 21% " " 2,000
930	"	5,000	" 23% " " 2,000
1,390	"	7,000	" 25% " " 2,000
1,890	"	9,000	" 27% " " 2,000
2,430	"	11,000	" 31% " " 3,000
3,360	"	14,000	" 35% " " 10,000
6,860	"	24,000	" 39% " " 15,000
12,710	"	39,000	" 43% " " 21,000
21,740	"	60,000	" 47% on the excess

A 24% abatement of the basic federal personal income tax is provided for individuals who reside in Quebec. The rates of the corresponding provincial levy are adjusted to take advantage of this abatement. This partial federal withdrawal from the personal income tax field in Quebec comes about as part of an arrangement whereby the province assumes in return for a combination of additional personal income tax and special general purpose transfer payments the full cost of supplying services which in the other provinces are either provided by the federal government (youth allowances) or are financed jointly by federal and provincial governments (hospitalization etc.).

The federal income tax reform brought about several changes in the taxation of corporation income. Most of them stem from the distinctions which it made among corporations. The most important of these distinctions 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 as 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 other distinctions made among corporations relate to whether they have business or investment income and whether they are Canadian or foreign controlled.

The rates which, as part of the federal tax reform, were imposed on the taxable income of public corporations are as follows:

- (a) Business income: 50% for the 1972 taxation year (reducing by one percentage point annually thereafter to 46% in 1976)

¹ The 1972 tax liability established from this rate schedule was reduced by 3% under special tax cut provisions enacted in 1971.

- (b) Dividend income: exempt unless paid out of the designated surplus of a corporation controlled by the receiving corporation
- (c) Other investment income: 50% for the 1972 taxation year (reducing by one percentage point annually thereafter to 46% in 1976)

The rates that were applied to the taxable income of private corporations are as follows:

- (a) Business income: 25% on the first \$50,000 and 50% on the taxable income in excess of \$50,000 of active Canadian-controlled corporations² (the 50% rate applied for the 1972 taxation year and reduces by one percentage point annually thereafter to 46% in 1976); 50% for the 1972 taxation year (reducing by one percentage point annually thereafter to 46% in 1976) for other private corporations.
- (b) Dividend income: usually exempt if received from a subsidiary corporation; 33 1/3% if received from non-subsidiary corporations but refunded if dividends are paid to shareholders (for every \$3 of dividend paid, \$1 of tax is refunded).
- (c) Other investment income: 50% for the taxation year 1972 (reducing by one percentage point annually thereafter 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 dividend paid, \$1 of tax is refunded).

The federal tax reform provided special rules for the following types of corporation:

- (a) Investment corporations: taxed at 25% on all their taxable income
- (b) Mutual fund corporations: taxed as public corporations except that the tax paid on their capital gains is refundable as the corporations pay dividends from capital gain income or redeem their shares
- (c) Mutual fund trusts: the tax paid on their capital gains is refundable as is the case for mutual fund corporations.

The above rates with the exception of the special levy of 33 1/3% imposed on the investment income of private corporations are reduced by 10 percentage points in all provinces to allow for the imposition of corresponding provincial levies.

The 1972 and 1973 Federal Budgets

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 exemption for taxpayers of 65 years of age or over. It also provided an exemption of \$50 a month for students in full-time attendance in post secondary education institutions. The exemption was to be available to students or to parents or relatives who support them (any taxable income earned by a student must be

² The 25% rate on the first \$50,000 of taxable income of an active Canadian-controlled corporation is available until taxable income of \$400,000 is accumulated.

deducted from the exemption claimed by a parent or a relative). These changes were to be 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 were to 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.

The tax changes introduced by the 1972 budget were not sanctioned in 1972. The Twenty-Eighth Parliament was dissolved in September 1972 to pave the way for a general election and all bills that were still under consideration at that time including that pertaining to the income changes introduced by the 1972 budget automatically passed away from the legislative scene.

A new bill covering those tax changes introduced by the 1972 budget that pertained to personal income tax was brought before the newly elected Twenty-Ninth Parliament in early 1973 and enacted with retroactive effect to January 1, 1972.

The 1973 federal budget was presented on January 19, 1973. It proposed significant changes in personal income taxation. First it announced that the exemptions for single and married taxpayers would be raised from \$1500 and \$2850 to \$1600 and \$3000 respectively for the 1973 taxation year. It added that in 1974 and subsequent taxation years the principal exemptions would be raised and the taxable income ranges enlarged each year by the application of a factor established by reference to the increase in the consumer price index in the immediately preceding year. Secondly it announced that the basic personal income tax would be cut by 5% with minimum relief of \$100 and maximum relief of \$500 effective January 1, 1973.³

The 1973 federal budget also referred to the corporation income tax changes introduced but not passed in the previous year and let it be understood that they would be submitted again for legislative approval. A significant modification was announced, however, in the format of the accelerated depreciation proposal for Canadian manufacturing and processing concerns; this tax relief was no longer to be of unlimited duration but to be restricted instead to the period May 9, 1972 to December 31, 1974.

The personal income tax changes introduced by the 1973 federal budget and the corporation income tax changes proposed by the 1972 and 1973 federal budgets were brought before Parliament in June 1973 and enacted into law.

³ This personal income tax cut was to replace the temporary reduction of 3% of basic federal tax which had been provided from July 1, 1971 to December 31, 1972.

TABLE 1. 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: 15% on the first \$500 of taxable income \$ 75 on \$ 500 plus 18% on next \$ 500 165 " 1,000 " 19% " " 1,000 355 " 2,000 " 20% " " 1,000 555 " 3,000 " 21% " " 2,000 975 " 5,000 " 23% " " 2,000 1,435 " 7,000 " 25% " " 2,000 1,935 " 9,000 " 27% " " 2,000 2,475 " 11,000 " 31% " " 3,000 3,405 " 14,000 " 35% " " 10,000 6,905 " 24,000 " 39% " " 15,000 12,755 " 39,000 " 43% " " 21,000 21,785 " 60,000 " 47% " excess	Main exemptions and deductions from net income to arrive at "taxable income" are: Single taxpayer..... \$1,600 Married taxpayer..... 3,000 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: the amount of dividend received is increased by 33-1/3% and added to income and 20% of the "grossed up" 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 tax reduction equal to 5% of personal income tax with minimum of \$100 and maximum of \$500 is granted to all taxpayers in 1973.
Income tax—Corporations	Income Tax Act	Manufacturing and processing income. Other business income. Dividend income. Other investment income.	Public corporations: 40% Canadian-controlled private corporations: 20% on the first \$50,000 and 40% on the excess. Public corporations: 49% Canadian-controlled private corporations: 25% on the first \$50,000 and 49% on the excess. Public corporations: generally exempt. Private corporations: exempt if received from subsidiary corporations; 33 1/3% if received from other corporations (refunded as dividends are paid to shareholders). 49% (half the tax paid by private corporations is refunded as dividends are paid to shareholders).	Canadian-controlled manufacturing and processing concerns can fully depreciate in two years the production machinery and equipment which they acquire during the period 9 May 1972 to 31 December 1974. There is an abatement of 10% of total taxable income earned in the provinces to make room for the imposition of provincial levies. ¹
	Income Tax Act	Profits of non-resident corporations carrying on business in Canada.	15% (in addition to liability to ordinary corporation income tax).	Deductions from taxable income earned in Canada: Federal and provincial income taxes and allowance in respect of net increases in business investment in Canada.
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 2. * Federal-Provincial * Local Arrangements.

INCOME, CAPITAL, GIFT AND INHERITANCE TAXES LEVIED BY PROVINCIAL GOVERNMENTS

Income and Capital Taxes

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 provincial boundaries. In all provinces except Quebec, the levy is expressed as a percentage of the corresponding basic federal tax⁴ 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 personal income tax rates of the provinces other than Quebec vary from 30.5% (in Ontario and British Columbia) to 42.5% (in Manitoba) of the corresponding basic federal tax. The Quebec impost starts at 10% on the first \$2,000 of taxable income and rises to 28% on taxable income in excess of \$60,000.

The personal income tax system of the province of Quebec differs somewhat from that of the federal government. The basic exemptions of the Quebec system are \$1,500 for a single taxpayer and \$2,850 for a married taxpayer. The corresponding exemptions of the federal system are to rise to \$1,600 and \$3,000 respectively for 1973 and to be escalated for 1974 and each subsequent year by a factor established by reference to the annual increase in the consumer price index. The special exemptions for a taxpayer aged 65 years or over and for a taxpayer who is blind or confined to a wheelchair are set at \$650 under the Quebec system and at \$1,000 under the federal system. The Quebec system provides no exemption for a dependent child eligible for family allowances; the federal system allows an exemption of \$300 for such a child.⁵ The Quebec system differs from the federal system in another respect in that it completely relieves from tax individuals whose income does not exceed certain amounts. The 1973 Quebec budget raised these amounts from \$2,000 to \$2,500 for a single taxpayer and from \$4,000 to \$5,000 for a married taxpayer.

The other provinces to make personal income tax changes in 1973 were Ontario and Saskatchewan. Ontario allowed the temporary tax cut of 3% that it had enacted in 1971 to terminate with the end of 1972 thus causing the rate of its levy to rise from 29.585% to

30.5% of the corresponding basic federal tax effective January 1, 1973. The province countered this tax increase by the introduction of tax credits of 1% of personal exemptions (to serve as a credit in respect of sales tax) and \$100 for each taxpayer aged 65 or over. These credits supplement the Ontario real property tax credit⁶ and are the object of the same adjustment in respect of taxable income to arrive at the net amount of relief provided (i.e. from aggregate gross tax credits claimed an amount equal to 1% of taxable income is deducted to establish the effective tax reduction). Saskatchewan increased the rate of its impost from 37.0% to 40.0% of the corresponding basic federal tax effective January 1, 1973.

All provinces levy a tax on corporation taxable income 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 federal collection of their levy. 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.

Two provinces increased the rate of their corporation income tax in 1973. Saskatchewan raised it from 11% to 12% and British Columbia from 10% to 12%; in both cases the changes were made effective from January 1, 1973. Quebec announced a change in the method used by corporations in making their corporation income tax remittances: starting in May 1973, these remittances will be made monthly rather than bi-monthly and the full liability for a particular taxation year will have to be discharged by the end of the third month following the conclusion of that year. This change brings the process of making remittances in respect of Quebec corporation income tax in line with the procedure followed with regard to the corresponding federal levy.

Certain provinces also levy a tax on the paid-up or utilized capital of corporations operating within their boundaries. Prior to 1973, only Quebec and Ontario had taxes of this kind. British Columbia entered the field in 1973 with a levy of 1/10 of 1% on utilized capital that became effective on January 1, 1973. The rate of the Ontario tax was doubled in 1973 passing from 1/10 to 1/5 of 1% and the application of the tax was extended to the paid-up capital of banks and certain transportation and communication companies that had previously

⁴ The basic federal tax is the amount of tax computed as per the graduated rate schedule appearing on page 11 before deduction of any federal tax cut.

⁵ Instead of providing a personal income tax exemption for a dependent child eligible for family allowances, the Province of Quebec pays a supplementary family allowance benefit. This benefit is paid under the terms of a program that complements the related federal program. The Quebec program provides an allowance which increases 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 sixteen years of age.

⁶ For a description of the Ontario real property tax credit, the reader should refer to the introduction of Part IV dealing with "Real Property Taxes".

been exempt (the special taxes which previously applied to these newly-taxed concerns were concurrently repealed).

Gift and Inheritance Taxes

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, Ontario and Quebec, 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 were to be collected by the federal government. Ontario and British Columbia were to collect their succession duties but have their gift taxes collected by the federal government. Quebec was to collect its succession duties as well as its gift tax.

Significant changes were announced in provincial inheritance and gift taxation in 1973. Prince Edward Island repealed its succession duties and gift tax and made the changes retroactive to January 1, 1972. The action had the effect of cancelling the imposts from the

first day they had come into force; the monies raised thereunder during 1972 were to be returned to their payors. New Brunswick suspended the application of its succession duties and gift tax for farmers and fishermen effective March 20, 1973 and served notice that the imposts would be repealed at the end of 1973. Nova Scotia also expressed its intent to abolish its succession duties and gift tax effective April 1, 1974. Quebec increased its succession duty exemption for estates transmitted in direct line from \$100,000 to \$150,000 and repealed the surcharge that it had imposed on succession duties in 1972; these changes were made effective from January 1, 1973. The province also increased from the same date its once-in-a-lifetime exemption for any farmer making an *inter vivos* gift of his land to one or more of his children from \$25,000 to \$75,000. In addition it was announced that the Quebec succession duties would be reduced by 20% effective January 1, 1974. Ontario completely exempted from succession duties bequest to spouses and provided extensive relief for farms that pass at death to a child or children of the deceased and which continue to be used for agricultural purposes. The province also created a once-in-a-lifetime exemption of \$50,000 for any farmer making an *inter vivos* gift of his land or other farm property to one or more of his children. The Ontario inheritance and gift tax changes became effective on April 13, 1973.

TABLE 2. Income, Capital, Gift and Inheritance Taxes 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 Taxation Act; S.Q. 1972, c. 23 and amendments.
2	Basis	Federal personal income tax.	Federal personal income tax.	Federal personal income tax.	Federal personal income tax.	Taxable income of individuals (differs from corresponding concept for federal income tax purposes in that the basic exemptions are \$1,500 for a single taxpayer and \$2,850 for a married taxpayer, the exemptions for an aged taxpayer or a taxpayer who is blind or confined to a wheelchair are \$650, and there is no exemption for a dependent child of less than 16 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. No tax is payable when net income does not exceed \$5,000 if married or \$2,500 if single.
4	Comments					
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 Taxation Act; S.Q. 1972, c. 23 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					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.
Capital tax:						
9	Statutory authority					The Corporation Tax Act; R.S.Q. 1964, c. 67 and amendments.
10	Basis					(a) Paid-up capital of corporations. (b) Places of business.
11	Rates					(a) 1/5 of 1%. (b) \$25 to \$50.
12	Comments					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.
Gift tax:						
13	Statutory authority	The Gift Tax Act; S.N. 1972, No. 39.		The Gift Tax Act; S.N.S. 1972, c. 9.	The Gift Tax Act; S.N.B. 1972, c. 9.	The taxation Act; S.Q. 1972, c. 23 and amendments.
14	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.
15	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.

TABLE 2. Income, Capital, Gift and Inheritance Taxes levied by Provincial Governments

Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	No.
The Income Tax Act, R.S.C. 1970, c. 217 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
30.5%	42.5%	40.0%	36.0%	30.5%	3
					4
The Corporations 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%	12.0%	11.0%	12.0%	7
A tax credit is available equal to 5% of qualified investment in machinery and equipment purchased and used in Ontario during the period April 26, 1971 to March 31, 1973.					8
The Corporations Tax Act, R.S.C. 1970, c. 91 and amendments.				The Income Tax Act; 1962, c. 27 and amendments.	9
Paid-up capital of corporations.				Utilized capital of corporations.	10
1/2 of 1%.				1/10 of 1%.	11
					12
The Gift Tax Act, S.O. 1972, c. 12.	The Gift Tax Act; S.M. 1972, c. G55.	The Gift Tax Act; S.S. 1972, c. 48.		The Gift Tax Act; S.B.C. 1972, c. 23.	13
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.	14
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.	15

TABLE 2. Income, Capital, Gift and Inheritance Taxes 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. 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 \$75,000 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>
2	Comments				Statute suspended for farmers and fishermen effective March 20, 1973.	
Succession duties:						
3	Statutory authority	The Succession Duty Act; S.N. 1972, No. 40.		The Succession Duty Act; S.N.S. 1972, c. 17.	The Succession Duty Act; S.N.B. 1972, c. 14.	The Succession Duties Act; R.S.Q. 1964; c. 70 and amendments.
4	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.
5	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.	<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>
6	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>		Estates valued at \$500,000 or less passing to a surviving spouse.	Estates valued at \$500,000 or less passing to a surviving spouse.	Estates valued at \$150,000 or less where entirely transmitted in direct line; where estates are entirely transmitted in direct line and their value exceeds \$150,000, succession duties must not lower their value below \$150,000; where parts of estates are transmitted in direct line and where the value of any such part exceeds \$150,000, succession duties must not lower the values of the parts below \$150,000.
7	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>Amounts derived from contributions toward a pension plan and reimbursements of contributions toward such a plan.</p> <p>Bequests to Canadian charitable organizations.</p>
8	Comments				Statute suspended for farmers and fishermen effective March 20, 1973.	

TABLE 2. Income, Capital, Gift and Inheritance Taxes levied by Provincial Governments - Continued

Canada	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>Once-in-a-lifetime exemption of \$50,000 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>	<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
					2
<p>The Succession Duty Act, R.S.O. 1970, c. 449 and amendments.</p>	<p>The Succession Duty Act; S.M. 1972, c. S215.</p>	<p>The Succession Duty Act; S.S. 1972, c. 124.</p>		<p>The Succession Duty Act; S.B.C. 1960, c. 27 and amendments.</p>	3
<p>Net value of property passing at death.</p>	<p>Net value of property passing at death.</p>	<p>Net value of property passing at death.</p>		<p>Net value of property passing at death.</p>	4
<p>On estate: Direct line - 10% to 28% Collateral line - 24% to 34% Strangers - 35% to 70%</p> <p>On individual's share in estate: Direct line - 5% to 30% Collateral line - 6.4% to 26% 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 \$7,000 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.</p>		<p>On individual's share in estate: Direct line (special beneficiaries) - 10% to 36% Collateral line - 8% to 38% Strangers - 13% to 40%.</p>	5
<p>Estates passing to a surviving spouse.</p> <p>All estates valued at \$100,000 or less.</p>		<p>All estates valued at \$50,000 or less.</p>			6
<p>Exemption of duty at the rate of 1/25 per year for farms passing at death for a child or children of the deceased and continuing to be used for agricultural purposes (full relief over twenty five years).</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>	7
					8

PART II

GENERAL SALES TAXES

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2000 年 12 月 25 日

GENERAL SALES TAX

The federal government imposes a general sales tax on the selling 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 ownership of the goods changes. [i.e. 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 percent; it is 11 percent on a wide range of building materials. Full exemption is allowed on raw materials, production machinery, research equipment, processing materials, and a number of designated consumption goods.

The federal budget of February 19, 1973 introduced new exemptions from federal sales tax. Effective February 19, confectioneries, chocolate bars, soft drinks and fruit drinks and similar near-food products were to be relieved from the levy. Effective the same date, children's clothing, shoes and other footwear were also to be freed from the impost.

All provinces, except Alberta, impose a retail sales tax on a wide range of consumer goods and services. The rates vary from 5% in Manitoba, Saskatchewan and British Columbia to 7% in Newfoundland, Nova Scotia

and Ontario, and 8% in Prince Edward Island, New Brunswick and Quebec.

The main changes introduced in 1973 in provincial sales taxation were as follows:

- (a) in Nova Scotia, larger sizes of children's clothing and footwear were exempted, effective April 3. Relief was also provided for purchases of merchandise (with the exception of automotive equipment and parts) by Indians on reservations for their own use effective May 1.
- (b) in Quebec, the small sale exemption was raised from 10¢ to 15¢ effective April 11. Also, the exemption for prepared meals was raised from \$1.24 to \$1.49 effective the same date.
- (c) in Ontario, the sales tax was raised from 5% to 7% effective May 1. Effective the same day, the exemption for prepared meals was increased to \$4.00 from the previous \$2.50. Also effective May 1, seeds, bulbs and natural flowers as well as household pets were exempted from the impost.

Further details on the general sales taxes of the federal and provincial governments are provided in Table 3.

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.C. 1970, c.E. 13 and amendments.	The Social Security Act; 1963, C. 83 and amendments.	The Revenue Tax Act; 1960, c. 36 and amendments.	Health Service Tax Act; R.S. N.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%	7%
	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	Religious books	X	-	X	X
8	Scientific, educational and cultural books	X	-	-	X
9	Classroom supplies	L ¹	-	X	X
10	Sales to churches	L ¹	-	L ³	L ³
	Newspapers and periodicals:				
11	Newspapers	X	L ⁴	1	X
12	Periodicals, subscriptions	X	-	X	X
13	Periodicals, over the counter	X	-	-	-
	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	X	-	-	-
24	Soft drinks	X	-	X	-
25	Meals	N/A	-	L ⁵	L ⁵
26	Alcoholic beverages	-	-	-	-
	Fuels and electricity:				
27	Firewood	X	X	X	X
28	Coal	X	-	X	X
29	Fuel oil (heating)	X	-	X	X
30	Gas (heating, cooking, etc.)	X	-	X	X
31	Electricity	X	-	X	S ⁷
32	Gasoline	-	S ⁸	S ⁶	S ⁸

See footnote(s) at end of table.

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	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 ¹⁵	X	L ¹⁵	L ¹⁵
	Miscellaneous:				
12	Sales to federal government	-	X	X	X
13	Sales to provinces	X	-	-	X
14	Sales for exportation or for out of province delivery	X	X	X	X
15	Children's clothing and footwear	X	X	X	X
16	Building materials	S ⁹	-	-	-
17	Small sales	N/A	4	4	4
	Services subject to tax:				
18	Hotel and motel room rental	N/A	yes	yes	yes
19	Telephone services	N/A	yes	yes	
20	Long distance telephone calls	N/A	yes		S ⁷
21	Other telecommunications	N/A	yes		
22	Repairs	N/A	yes	yes	
23	Laundry and dry-cleaning	N/A	yes	yes	
24	Printing, photography, writing	yes	yes		

Legend:

- X: Unqualified exemption.
- L: Limited exemption.
- S: Subject to special, taxed under a separate statute, or subject to time limitation.
- : not exempt.

Specific references:

- L¹: Exemption limited to certain designated goods.
- L²: Exemption limited to fishing nets, which are unconditionally exempt.
- L³: Rebate on purchases entering into capital investment.
- L⁴: Exempt when published within the province.
- L⁵: Exempt under \$1.01.
- L⁶: Exempt under \$2.01.
- L⁷: Exempt under \$2.51.
- L⁸: Exempt when used for heating.
- L⁹: Exempt when used for heating.
- L¹⁰: Specific exemptions to railways, mines, shipyards and pulp and paper companies, for installation and expansion of plant and equipment.
- L¹¹: All purchases of manufacturers partially exempt to the extent that their sales are made for out-of-province delivery.
- L¹²: Exemption limited to catalysts or direct agents.
- L¹³: Exemption limited to a rebate on purchases entering into capital investment and to certain equipment for roads and fire fighting.
- L¹⁴: 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.
- L¹⁵: Exempt when used exclusively for international trade.
- L¹⁶: Exempt when used for interprovincial or foreign trade.

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	X	2
X	X	X	X	X	X	3
X	X	X	X	X	X	4
X	S ¹⁰	—	—	—	—	5
L ¹⁴	L ¹⁰	X	X	X	L ¹¹	6
—	—	L ¹²	—	L ¹³	—	7
X	X	X	X	X	L ¹⁵	8
—	—	—	—	L ¹⁶	—	9
L ¹⁹	X	L ²⁰	—	—	L ²⁰	10
L ¹⁵	L ²¹	L ¹⁵	L ²¹	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
*	*	*	*	*	*	17
yes	S ⁷	yes	yes	yes	S ⁷	18
yes	—	yes	L ²²	L ²³	yes	19
yes	S ⁷	yes	L ²²	L ²³	—	20
yes	S ⁷	yes	yes	yes	—	21
—	—	—	yes	—	—	22
yes	—	—	yes	—	—	23
—	—	—	yes	—	—	24

Specific references — Concluded:

- ¹⁶ Exemption limited to rails and ties.
- ¹⁷ Exempt when licensed to engage in the Canadian coasting trade.
- ¹⁸ Exempt over 300 tons.
- ¹⁹ Exempt when normally operating in extra-territorial waters.
- ²⁰ Exempt over 500 tons gross.
- ²¹ Partially exempt on the basis of mileage of use within the province.
- ²² Exempt under 46¢.
- ²³ Exempt when telephone call made from a coin operated box and is under 49¢.
- ²⁴ 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; meals of \$1.49 or less are exempt.
- ²⁵ Special rate of 10% on meals of \$4.01 or over; meals of \$4.00 or less are exempt.
- ²⁶ Beer is subject to a special tax in lieu of sales tax; spirits are subject to the general sales tax.
- ²⁷ Spirits and beer are subject to a special tax of 10%.
- ²⁸ Spirits, wines, and imported beer are subject to a special tax of 10%.
- ²⁹ Draught beer sold by the glass on licenced premises is exempt.
- ³⁰ Taxed under a separate statute — See Table 5 "Miscellaneous Provincial Taxes" p. 42.
- ³¹ Motive fuels are taxed separately in all provinces — See Table 5 "Miscellaneous Provincial Taxes." p. 32.
- ³² Subject to tax at special rate of 11%.
- ³³ Exempt until 1975.

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

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

³ Tax not paid by Canadian National Railways.

⁴ Rates below 8¢ in Newfoundland, 11¢ in Prince Edward Island, 16¢ in Nova Scotia, 12¢ in New Brunswick, 16¢ in Quebec, 21¢ in Ontario, 26¢ in Manitoba, 15¢ in Saskatchewan, and 16¢ in British Columbia.

PART III

OTHER IMPORTANT TAXES LEVIED
BY THE FEDERAL AND
PROVINCIAL GOVERNMENTS

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. The 1973 federal budget introduced some changes in excise taxation. It announced the repeal effective February 20, 1973 of the special excise taxes of 10% on toilet articles and cosmetics and on clocks and watches with manufacturers' selling prices of less than \$50. Details pertaining to duties and taxes under the aforementioned federal statutes are presented 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. Four provinces and one territory 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. However, regardless of their mode of distribution at retail level, alcoholic beverages contribute equally to provincial revenue.

A number of changes were made in the above-mentioned areas of provincial taxation in 1973. Ontario repealed its security transfer tax effective April 13. Manitoba eliminated its health insurance premium effective June 1. Saskatchewan brought its tax rate on all cigarettes to 9/25 of a cent effective February 19 and thereby eliminated the preferential rate of 8/25 of a cent per cigarette on cigarettes of 85 millimetres in length or less. British Columbia reduced its tax rate on motive fuels of non-polluting nature from 17¢ to 10¢ per gallon and exempted motive fuels for off-highway use by family farmers and fishermen and motive fuel used in family farm trucks on highways effective 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		Rate		Exemptions, deductions, tax credits, etc.
Excise duties	Excise Act; R.S. 1970, c. E12 and amendments	Tobacco ¹ — on domestic production:			Imported tobacco products are not subject to excise duties but the customs duties to which they are liable include an element in respect of excise.
		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.
		Spirits and beer:			
		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 D, 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 valued at more than \$50 at manufacture	ad valorem ²	10%	Excluding imports. Customs duties on imports are set to take into account the taxes levied on domestic production of wines.
		Playing cards	per pack	20¢	
		Coin-operated amusement devices	ad valorem	10%	
		Tobacco ¹ and smoker's accessories:			
		Cigarettes	per 5	3¢	
		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; S.P.E.I. 1971, c. 13 and amendments.	Theatres, Cinematographs and Amusements Act; R.S.N.B. 1952, c. 228 and amendments.	Amusement Tax Act; R.S.Q. 1964, c. 76.	
2	Basis.....	—	Admission price	Admission price	Admission price	
3	Rate.....	—	From: 45¢ - 60¢..... 5¢ 61¢ - 80¢..... 7¢ 81¢ - \$1.00..... 10¢ over \$1.00..... 10¢ plus 5¢ extra for each additional 50¢ or fraction thereof. Season ticket - 10% of selling price. Pass or complimentary ticket..... 10¢	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¢ Pass..... 10¢ 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.	10%.....
4	Comments.....	—	Exemptions: Church, school and municipal functions; certain other amateur or private functions; tickets costing less than 45¢.	Exemptions: Religious, educational or charitable functions; tickets costing 55¢ or less.	Exemptions: Charitable, agricultural or church functions.	
Motive and other fuel taxes						
5	Statutory authority.....	The Gasoline Tax Act; R.S.N. 1962, c. 55 and amendments. The Fuel Oil Tax Act; R.S.N. 1962, c. 76.	The Gasoline Tax Act; S.P.E.I. 1971, c. 15 and amendments.	Gasoline and Diesel Oil Tax Act; R.S.N.S. 1967, c. 116 and amendments.	Gasoline Tax Act; R.S.Q. 1964, c. 74 and amendments.	
6	Basis.....	Per gallon	Per gallon	Per gallon	Per gallon	
7	Rate.....	Motor fuel—25¢ Fuel oil — 1¢	Gasoline —21¢ Diesel fuel—25¢	Gasoline fuel—21¢ Diesel fuel —27¢ Aviation fuel — 3¢	Gasoline — 20¢ Diesel fuel —23¢ Aviation fuel — 3¢	Gasoline — 19¢ Diesel fuel —25¢ Aviation fuel— 3¢
8	Comments.....	Exemptions for gasoline used by governments, by foreign diplomats, in aircraft, in motorized equipment (other than trucks and automobiles) used for agricultural or logging purposes, in sawmills, in fish processing plants, in certain manufacturing plants, in vessels and boats used in trade, in electrical power generating plants, in household appliances, as household fuel, and for mineral exploration and pre-production development. Exemptions for fuel oil used for domestic purposes or by vessels (except pleasure boats, tugs, dredges and scows), manufacturing plants, commercial buildings, and institutions.	Exemptions for aviation fuel, fuel used in off-shore fishing fleets, and marked gasoline. Marked gasoline may be purchased by the federal government, farmers, commercial fishermen, and owners and operators of stationary engines or certain sport establishments.	Exemption for marked gasoline. Marked gasoline may be used in vehicles of the federal, provincial and municipal governments and in vehicles designed for fire-fighting, road building or off-highway use. It may also be used in farm tractors other than trucks or road tractors.	Exemptions for fuel used for lighting or heating, in farming operations, in the cleaning of fabrics, in stationary engines, in the operation of motor boats and snowmobiles, in tractors other than truck tractors when such vehicles are not used on public highways or in the construction of roads and bridges. Exemption for fuel used by municipal governments. Refund of tax to flying clubs; based on the number of gallons of aviation fuel consumed in student training programme multiplied by rate of .03 cents per gallon.	Full tax refunds are allowed on gasoline used in the operation of farm tractors and fishing boats. 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, and production machinery.

TABLE 5. Miscellaneous Provincial Taxes

Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.
The Retail Sales Tax, R.S.O. 1970, c. 415 and amendments.	The Amusements Act; R.S.M. 1970, c. A70 and amendments.	—	See: Race track tax section on page 39.	—	—	—	1
Admission price	Admission price	—	—	—	—	—	2
From: 76¢ to 84¢ — 6¢ 85¢ to 90¢ — 7¢ 91¢ to 99¢ — 8¢ 100¢ & over — 10¢	Over \$1.00 10%	—	—	—	—	—	3
Exemptions: Tickets costing 75¢ or less; religious, charitable or educational functions (by way of refund).	Exemptions: Religious, charitable or educational functions tickets costing \$1.00 or less.	—	—	—	—	—	4
The Gasoline Tax Act; R.S.O. 1970, c. 190 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; R.S.S. 1965, c. 67 and amendments.	The Fuel Oil Tax Act; R.S.A. 1970, c. 153 and amendments.	Gasoline Tax Act, 1948; R.S.B.C. 1960, c. 162 and amendments. Coloured Gasoline Tax Act; R.S.B.C. 1960, c. 63 and amendments. Motive Fuel Use Tax Act; R.S.B.C. 1960, c. 251 and amendments. Fuel Oil Tax Act; R.S.B.C. 1960, c. 158 and amendments.	Fuel Oil Tax Ordinance; 1969 (4th session), c. 2 and amendments.	Petroleum Products Tax Ordinance; R.O. 1956, c. 40 and amendments.	5
Per gallon	Per gallon	Per gallon	Per gallon	Per gallon	Per gallon	Per gallon	6
Gasoline — 19¢ Diesel fuel — 20¢ Aviation fuel — 3¢	Gasoline — 17¢ Diesel fuel — 20¢ Aviation fuel — 2¢ Special rates: Bunker — 1/3¢ Propane — 1¢ if used for commercial heating, and 17¢ if used for carburation Coloured gasoline — 1¢	Gasoline — 19¢ Diesel fuel — 21¢ Aviation fuel — 4¢ Other fuels — 4¢	Gasoline — 15¢ Diesel fuel — 17¢ Aviation fuel — 3¢ Coloured gasoline — 3¢	Gasoline — 15¢ Pollutant-free liquified petroleum gas (butane and propane) used by common vehicles — 10¢ Coloured gasoline — 3¢ Diesel fuel — 17¢ Aviation fuel — 3¢ Fuel oil — 1/2¢	Fuel oil (gasoline and diesel fuel) — 14¢ Aviation fuel — 2¢	Gasoline — 14¢ Diesel fuel — 15¢ Fuel oil — 3¢ Aviation fuel — 2 1/2¢ Propane and butane — 2 1/2¢	7
Full tax refund is allowed on gasoline used exclusively in farming or commercial fishing. A tax relief of 13¢ per gallon is allowed on gasoline used in off-highway vehicles other than "non-working" motor boats and snowmobiles. Gasoline used in "working" motor boats is eligible for the relief. A tax relief of 17¢ per gallon is allowed on diesel fuel oil that is not used in a motor vehicle or that is used in a motor vehicle which is not used on highways or in the construction or maintenance of highways.	Exemptions for coloured gasoline used in farm trucks, agricultural machinery, municipal firefighting equipment and in trapping, fishing and prospecting operation. Exemptions for diesel fuel used in agricultural machinery, municipal firefighting equipment, lighting plants, hospitals and for domestic purposes. Partial or full refund in other circumstances set out in the Act.	Exemptions for fuel used for cooking, lighting and heating or not designed and manufactured for use in, and not in fact used in, an internal combustion engine. Exemptions from tax at 19 or 21¢ (but not from tax at 4¢) for coloured gasoline used in farming operations by Saskatchewan railways, for generating electricity, for city-owned buses, for tractors or machinery (other than motor vehicles) used for industrial purposes or in the construction and maintenance of roads, for mixing with chemicals for weed or insect control or for commercial fishing boats.	Exemption for fuel used by the federal government and foreign diplomats. Relief of 3¢ per gallon for gasoline and diesel fuel used as raw material by the petroleum industry, in household appliances, for lighting and heating, or for spraying on road surfaces. Relief of 12¢ from gasoline tax and 14¢ from diesel fuel tax for fuel used in farming operations, for industrial purposes, in transit buses, in railway locomotives, or designated as unfit for use in motor vehicles.	Coloured gasoline may be used only in ships, boats and other water vehicles, in stationary and portable engines and tractors for off-highway use, in logging trucks, in railway rolling stock and track-riding motor vehicles, for non-motive industrial use and in farming or commercial fishing operations. Motive fuels used off-highway by family farmers and fishermen and fuels used in the family farm truck on the highway are exempted from gasoline taxes. A refund of 12¢ per gallon of non-coloured gasoline and 14¢ per gallon of diesel fuel is granted for off-highway ore or logging trucks, for stationary motor vehicle power units used in industry for certain industrial and commercial vehicles used off-highway in oil and gas operations, and for the motor vehicles of amputees, paraplegics and certain classes of war veterans.	No tax is payable in respect of fuel oil that is used or is to be used in stationary units for the generation of electrical power, in the operation of farm tractors for farming purposes, for lubricating purposes, for heating purposes, for laying or sprinkling on roads or streets, or for use as cleaning fluids or solvents.	No tax is payable in respect of fuel used or to be used by hospitals, municipal governments, visiting armed forces, for lubricating purposes, for laying or sprinkling on roads or streets, for delivery to D.E.W. stations, or for use as cleaning fluids or solvents.	8

TABLE 5. Miscellaneous Provincial Taxes - Continued

No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
1	Motor vehicle registrations and driving permits Statutory authority	The Highway Traffic Act; R.S.N. 1962, c. 82 and amendments.	The Highway Traffic Act; S.P.E.I. 1964, c. 14 and amendments.	Motor Vehicle Act; R.S. N.S. 1967, c. 191 amendments and regulations.	The Motor Vehicle Act; R.S.N.B. 1955, c. 13 and amendments.	Highway Code; R.S.Q. 1964 c. 231 and amendments.
2	Basis	(a) Weight of the vehicle	(a) Weight of the vehicle	(a) Per 100 lb. vehicle weight	(a) Per pound of weight of motor vehicle	(a) Per pound of vehicle weight
		(b) Operator	(b) Operator (c) Chauffeur	(b) Operator (c) Chauffeur	(b) Operator (c) Chauffeur	(b) Operator (c) Chauffeur
3	Rate	(a) 1. Passenger vehicles: up to 2,000 lb. - \$18.00 2,001 to 3,000 lb. - \$20.00 3,001 to 4,000 lb. - \$22.00 4,001 lb. and over - \$24.00 2. Commercial vehicles: from \$22.00 (up to 4,000 lb.) to \$720.00 (49,001-50,000 lb.) (b) Operator's licence - \$9.00 (c) Chauffeur's licence - \$7.00	(a) 1. Passenger vehicles: Not more than 2,049 lb. - \$20.00 Over 2,049 lb. up to and including \$1.00 per 4,949 lb. - 100 lb. 4,950 lb. and over - \$50.00 2. Commercial vehicles: from \$14.00 (up to 3,000 lb.) to \$916.00 (80,000 lb.) (b) Operator's licence - \$4.00 (c) Chauffeur's licence - \$7.00	(a) 1. Passenger vehicles: \$1.00 per 100 lb. of vehicle weight. Minimum licence fee is \$15.00. 2. Commercial vehicles: from \$29.00 (up to 4,000 lb.) to \$634.00 (49,001-50,000 lb.) (b) Operator's licence - \$6.00 (3 years) (c) Chauffeur's licence - \$7.00 (1 year)	(a) 1. Passenger vehicles: 1¢ per pound of weight of motor vehicle; minimum fee of \$20.00 per vehicle plus a fee of \$4.00 for licence plates. 2. Commercial vehicles: from \$19.00 (up to 4,500 lb.) to \$1,435.00 (124,501 - 125,000 lb.) (b) Operator's licence - \$4.00 plus a \$6.00 unsatisfied judgement fee. (c) Chauffeurs licence - \$4.00 plus a \$6.00 unsatisfied judgement fee.	(a) 1. Passenger vehicles: 1¢ per pound (minimum \$20.00) plus a fee of \$1.00 for licence plates. 2. Commercial vehicles: \$50.00 up to 15,000 lb. and \$100.00 above 15,000 lb. (b) Operator's licence - \$6.00 (c) Chauffeur's licence - \$6.00
4	Comments	(a) Reduced rates apply later in the year. (b) Operator's licence has a three year term. Expiry date is on licensee's birthday.	(a) Reduced rates apply later in the year. (b) Operator's and chauffeur's licences have a one year term. Expiry date is on the last day of licensee's month of birth.	(a) Vehicle registration expires December 31.	(a) Reduced rates apply later in the year which expires Dec. 31. (b) Operator's and chauffeur's licences have a two-year term.	Operator's and chauffeur's licences have a two-year term.

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; R.S.S. 1965, c. 377 and amendments.	The Highway Traffic Act; R.S.A. 1970, c. 169 and amendments.	Motor-vehicle Act; R.S.B.C. 1960, c. 253 and amendments.	Motor Vehicle Ordinance; R.O.Y.T. 1958, c. 77 and amendments.	Vehicles Ordinance; 1967 (2nd. Sess.), c. 9 and amendments.	1
(a) Number of cylinders for passenger vehicles; weight for commercial vehicles	(a) Length of wheel base for passenger vehicles; weight of commercial vehicles	(a) Length of wheel base; weight of commercial vehicles	(a) Length of wheel base for passenger vehicles; weight of commercial vehicles	(a) Gross weight of vehicle	(a) Length of wheel base	(a) Flatrate for passenger vehicles; weight of commercial vehicles	2
(b) Operator	(b) Driver	(b) Operator	(b) Operator	(b) Operator	(b) Operator	(b) Operator	
(c) Chauffeur	(c) Chauffeur	(c) Chauffeur				(c) Chauffeur	
(a) 1. Passenger vehicles: 4 cylinders or less \$23.00 6 cylinders — \$32.00 8 cylinders — \$40.00	(a) 1. Passenger vehicles: \$12 for wheel base not exceeding 100" in length; for each additional 5 inches or portion thereof — from \$2.00 to \$4.00. Additional charge of 50¢ on all registrations for the Unsatisfied Judgement Fund.	(a) 1. Passenger vehicles: \$16 for wheel base not exceeding 110" \$22 for wheel base of 111" to 120" \$28 for wheel base exceeding 120"	(a) 1. Passenger vehicles: \$15 for wheel base not exceeding 110" \$20 for wheel base between 111" and 120" \$25 for wheel base of over 120" Where no wheel base is established: \$20.00	(a) 1. Passenger vehicles: 500 lb. or less — \$5.80 501 lb. to 1,500 lb. — \$10.80 1,501 lb. to 2,000 lb. — \$14.40 2,001 lb. to 3,000 lb. — \$18.00 3,001 lb. to 4,000 lb. — \$22.50 4,001 lb. to 5,000 lb. — \$31.50 5,001 lb. to 6,000 lb. — \$45.00 6,001 lb. to 7,000 lb. — \$58.50 Plus first registration fee of \$1.00.	(a) \$15 for wheel base 100" or less; \$20 for wheel base 101" to 120"; \$25 for wheel base 121" and over.	(a) 1. Passenger vehicles: Operated on MacKenzie Highway — \$15.00 Operated elsewhere in the Territories — \$5.00	3
2. Commercial vehicles: from \$33 (up to 5,000 lb.) to \$2,021 (138,001 to 140,000 lb.)	2. Commercial vehicles: from \$16 (up to 6,000 lb.) to \$441 (73,001 — 74,000 lb.)	2. Commercial vehicles: from \$17 (up to 2,500 lb.) to \$1,662 (72,001 — 74,000 lb.)	2. Commercial vehicles: from \$30 (up to 3,000 lb.) to \$490 (40,000 — 41,000 lb.)	2. Commercial vehicles: from \$16 (up to 3,000 lb.) to \$830 (72,001 — 74,000 lb.)		2. Commercial vehicles: Operated on MacKenzie Highway \$6.50 per 1,000 lb. gross weight. Operated elsewhere in the Territories — \$1.00 per 1,000 lb. gross weight.	
(b) Operator's licence — \$9.00	(b) Operator's licence — \$5.00	(b) Operator's licence — \$2.00	(b) Operator's licence — \$10.00	(b) Operator's licence — \$5.00	(b) Operator's licence — \$3.00	(b) Operator's licence — \$2.00	
(c) Chauffeur's licence — \$9.00	(c) Chauffeur's licence — \$7.50	(c) Chauffeur's licence — \$3.00				(c) Chauffeur's licence — \$3.00	
Operator's and chauffeur's licences have a three-year term.	(a) Reduced rates apply later in the year which expires February 28. (b) Operator's and chauffeur's licences issued for two years 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.	(a) Rates reduced by 40% after September 1 and 75% after January 1. (b) 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. (b) Operator's licence has a five year term.	(a) Reduced rates apply later in the year. (b) Operator's licence for a one year term. Expiry date is March 31.	(a) Rates are reduced to 40% after October 31. (b) Both operator's and chauffeur's licences have one year terms.	4

TABLE 5. Miscellaneous Provincial Taxes - Continued

No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
	Insurance premium taxes					
	(a) On insurance companies:					
1	Statutory authority.	The Insurance Companies Tax Act; R.S.N. 1957, c. 76 and amendments.	The Premium Tax Act; S.P.E.I. 1957, c. 27 and amendments.	Insurance Premiums Tax Act; R.S.N.S. 1967, c. 149.	Premium Tax Act; R.S.N.B. 1957, c. 14.	Corporation Tax Act; R.S.Q. 1964, c. 67 and amendments.
2	Basis	Gross Premiums	Gross Premiums	Gross Premiums	Gross Premiums	Premium Income
3	Rate	2%	2%	2%	2%	2%
4	Comments	Exemption for premiums on marine insurance and annuity contracts.	Exemption for annuity contracts.	Exemption for premiums on marine insurance and annuity contracts.	Exemption for premiums on marine insurance and annuity contracts.	Applicable on all insurance premiums, including fire insurance.
	(b) Fire insurance:					
5	Statutory authority.	The Insurance Premiums Tax Act; R.S.N. 1968, c. 59.	The Fire Prevention Act; S.P.E.I. 1951, c. 59 and amendments.	Fire Prevention Act; R.S.N.S. 1967, c. 107 and amendments.	Fire Prevention Act; R.S.N.B. 1952, c. 86 and amendments.	-
6	Basis	Premiums charged	Gross premiums	Premium income	Premium income	-
7	Rate	7%	3/4 of 1%	1/2 of 1%	1%	-
8	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.
(a) The Corporations Tax Act; R.S.O. 1970, c. 91 and amendments.	The Insurance Corporations Tax Act; R.S.M. 1970, c. 150 and amendments.	The Insurance Premiums Tax Act; R.S.S. 1965, c. 63 and amendments.	The Insurance Corporations Tax Act; R.S.A. 1970, c. 188 and amendments.	(a) Insurance Premiums Tax Act; R.S.B.C. 1960, c. 198 and amendments.	-	-	1
(b) The Insurance Act; R.S.O. 1970, c. 224 and amendments.				(b) Insurance Act; R.S.B.C. 1960, c. 197 and amendments.	-	-	
(a) Gross premiums or deposits	Premium Income	Gross Premiums	Gross Premiums	(a) Gross Premiums	-	-	2
(b) Gross premiums or reciprocal or inter-insurance exchanges.				(b) Premiums paid to unlicensed insurer or reciprocal exchange.			
-	2%	2%	2%	(a) 2% (b) 5%	-	-	3
2 1/2% on insurance covering property fire, inland transport, livestock, plate glass, sprinkler leakage, theft and weather.	Exemption for marine insurance and annuity contracts.	Exemption for marine insurance and annuity contracts. *See "Miscellaneous taxes" for motor vehicle insurance, page xx.	Exemption for marine insurance and annuity contracts.	Exemption for marine insurance and annuity contracts.	-	-	4
2% on other types of insurance	-						
-	-	The Fire Prevention Act; R.S.S. 1965, c. 365 and amendment.	The Fire Prevention Act; R.S.A. 1970, c. 144 and amendments.	Fire Marshal Act; R.S.B.C. 1960, c. 148 and amendment.	Fire Prevention Ordinance; O.Y.T. 1962 (5th Session), c. 3 and amendments.	-	5
-	-	Premium income	Premium income	Premium income	Premium income	-	6
-	-	1%	1/3 of 1%	1%	1%	-	7
-	-	-	-	Rate determined by Lieutenant Governor in Council. Tax on fire and automobile insurance. Persons insured by unlicensed companies pay the tax directly.	-	-	8

TABLE 5. Miscellaneous Provincial Taxes - Continued

No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
Mining taxes						
1	Statutory authority	(a) The Mining Tax Act; R.S.N. 1952, c. 43 and amendments. (b) The Mineral Lands Taxation Act; R.S.N. 1964, c. 56.	-	(a) Gypsum Mining Income Tax Act; R.S.N.S. 1967, c. 122. (b) Mines Act; R.S.N.S. 1967, c. 185.	Mining Income Tax Act; R.S.N.B. 1954, c. 10 and amendments.	Mining Duties Act; R.S.Q. 1965 c. 35.
2	Basis	(a) Net income from mining operations. (b) Assessed value of minerals.	-	(a) Net income from gypsum mining or ton of gypsum mined. (b) Ton of coal; value of other minerals.	Net income from mining operations.	Net profit of mining corporations.
3	Rate	(a) Iron mines - 20%, not to exceed 10¢ a ton on the first 1,500,000 tons and 8¢ on each additional ton. Other mines - 5%. (b) Not exceeding 10 mills.	-	(a) 33 1/3% of net income in excess of \$5,000; or 6¢ per ton where mining operations are calculated at a fixed rate of 18¢ per ton. (b) Coal - 12 1/2¢ per long ton. Gold and silver - when concentrates are smelted outside the province; 2% of smelter returns; when bullions are produced in the province; 1%. Iron, copper, lead, zinc - ore with two or more concentrates; 1%; ore with one concentrate; 2%. Other metals - as determined by the Lieutenant Governor in Council.	8% on net income up to \$750,000; 11% on the next \$2,250,000 of net income; 12% on net income in excess of \$3,000,000. Royalty on coal is 14¢ per short ton of two thousand pounds.	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	No tax payable when gross income is less than \$5,000.	-	-	-	Net profit up to \$50,000 is exempt.
Race track taxes						
5	Statutory authority	The Horse Racing (Regulations and Tax) Act; R.S.N. 1963, c. 65 and amendments.	The Entertainment Act; 1971, S.P.E.I. c. 13 and amendments.	Theatres and Amusements Act, R.S.N.S. 1967, c. 304 and regulations.	Theatres, Cinematographs, and Amusements Act; R.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 paid a remuneration of 3% of the tax collected and remitted.	-	If tax is remitted within 7 days, the Race Association may deduct a commission of 7% and 8% depending on certain variables in amounts wagered and dates.	If tax is remitted within 7 days, the Race Association may deduct from 6 1/2% 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 3. Miscellaneous Provincial Taxes - Continued

Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.
The Mining Tax Act; R.S.O. 1970, c. 275.	(a) The Mining Royalty and Tax Act; R.S.M. 1970, c. M180 and amendments. (b) The Mineral Acreage Tax Act; R.S.M. 1972, c. M135. (c) The Mineral Taxation Act; R.S.M. 1970, c. M150.	(a) The Mineral Taxation Act; R.S.S. 1965, c. 64 and amendments. (b) Municipal Tax Sharing (Potash) Act; R.S.S. 1968, c. 52. (c) The Mineral Resources Act; R.S.S. 1965, c. 50.	The Mineral Taxation Act; R.S.A. 1970, c. 236 and amendments.	Mining Tax Act; R.S.B.C. 1960, c. 247 and amendments.	Yukon Placer Mining Act; R.S.C. 1952 c. 300.	Canada Mining Regulations; P.L. 1961, -325.	1
Net profit	(a) Net profit of mining corporations. (b) Corporate holdings of mineral rights of 40 acres or more. (c) Assessed value of minerals in, on or under land in a designated producing area.	(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 principal minerals. (b) Flat rate per acre of mineral tract owned.	Net income	Value of gold shipped from Yukon.	Annual value of output.	2
15%	(a) 6% if income is under \$50,000; 15% on entire income if income exceeds \$50,000.	(a) 20¢ (minimum tax \$1.00). Additional tax based on size of acreage: 500,000-999,999 acres 10¢ per acre or fraction thereof 1,000,000 - 1,499,999 acres 20¢ per acre or fraction thereof 1,500,000 - 1,999,999 acres 30¢ per acre or fraction thereof 2,000,000 acres and over: 40¢ per acre or fraction thereof. Producing area where minerals have not been assessed: 50¢ per acre or fraction thereof. (b) 8 mills (c) 60¢ per short ton.	(a) Rates vary with respect to different classes of minerals in (designated) producing areas. (b) Tariff or fees not to exceed 5¢ per acre (minimum 25¢).	15% on net income in excess of \$10,000.	1 1/2%	\$10,001 - \$1,000,000: 3% 1,000,001 - 5,000,000: 5% 5,000,001 - 10,000,000: 6% 10,000,001 and over: an additional 1% for each additional \$5,000,000, not to exceed 12%.	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 relief is provided during the first thirty-six months of operation of a new mine by a reduction of one-half the tax.	(a) Acreage tax applies only to corporations holding land in Saskatchewan. It is not applicable to an owner who is an individual. Producing tract tax applies to all freehold minerals. (b) Assessed value of minerals is based on value of production for the previous year. Coal is not considered a mineral.	-	The rate includes coal and mineral concentrates. The processors of minerals, as well as owners of mines are liable for this tax.	Rates established by Order-in-Council.	Exemption for the first \$10,000 of output.	4
The Race Tracks Tax Act; R.S.O. 1970, c. 397 and amendments.	The Amusements Act; R.S.M. 1970, c. A70 and amendments.	-	The Amusements Act; R.S.A. 1970, c. 18 and amendments.	Pari Mutuel Betting Tax Act; R.S.B.C. 1960, c. 274.	-	-	5
(a) Pari mutuel betting pool (b) Amount gained from a winning ticket.	Pari mutuel betting pool	-	Pari mutuel betting pool	Pari mutuel betting pool	-	-	6
7%	10%	-	5%	8%	-	-	7
-	1/2% of the rate is kept as commission by the track operators.	-	-	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; R.S.N. 1964, c. 81 and amendments.	The Health Tax Act; S.P.E.I. 1951, c. 71 and amendments.	Health Services Tax Act; R.S.N.S. 1967, c. 126 and amendments.	Tobacco Tax Act; R.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 price of cigars and other tobacco products.	By cigarette; by retail price of cigars; by weight for other tobacco products.	By cigarette; by retail price of cigars and other manufactured tobacco.
3	Rate	Cigarettes - 1¢ each Cigars from: 1¢ to 4¢ - 2¢ each 5¢ " 7¢ - 3¢ " 8¢ " 15¢ - 4¢ " 16¢ " 25¢ - 8¢ " 26¢ " 35¢ - 12¢ " 36¢ " 45¢ - 16¢ " 46¢ up - 20¢ " Other tobacco products 4¢ per 1/2 oz. unit or part thereof.	Cigarettes - 2/5 of 1¢ each Cigars from: 1¢ to 9¢ - 1¢ each 10¢ " 15¢ - 2¢ " 16¢ " 21¢ - 3¢ " 22¢ " 27¢ - 4¢ " 28¢ " 33¢ - 5¢ " 34¢ " 39¢ - 6¢ " 40¢ " 45¢ - 7¢ " 46¢ up - 20¢ " Other smoking tobacco products - 20%.	Cigarettes - 4/10 of 1¢ each Cigars and other tobacco products - 10%.	Cigarettes - 2/5 of 1¢ each Cigars - 1¢ for each 5¢ or part thereof Other tobacco products - 4¢ per ounce or part thereof.	Cigarettes - 2/5 of 1¢ each Cigars from: 5¢ to 10¢ - 1¢ each 10¢ up - 20% Manufactured tobacco - 20% of retail price.
4	Comments	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.	-	Tax levied under the same statutory authority as the general sales tax.	-	No tax is levied on raw 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; R.S.Q. 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	-	-	-	-	The proceeds of this levy are earmarked for medical care. Individuals also pay a special medical care income tax. See Table 2 under Quebec.

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. 463 and amendments.	The Tobacco Tax Act; R.S.M. 1970, c. T 80 and amendments.	The Tobacco Tax Act; R.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; R.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; 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
Cigarettes - 0.46 of 1¢ each	Cigarettes - 3/5 of 1¢ each	Cigarettes - 9/25 of 1¢ each	Cigarettes - 8/25 of 1¢ each	Cigarettes - 8/25 of 1¢ each	-	-	3
Cigars from: 1¢ to 7¢ - 1¢ each 8¢ to 10¢ - 2¢ " 11¢ up - 1¢ additional for each additional 5¢ of retail price	Cigars: 4¢ or less - 1¢ each 5¢ to 8¢ - 2¢ " 9¢ " 12¢ - 3¢ " 13¢ " 16¢ - 4¢ " 17¢ " 20¢ - 5¢ " 21¢ " 28¢ - 7¢ " 29¢ " 36¢ - 9¢ " 37¢ " 43¢ - 11¢ " 44¢ " 52¢ - 13¢ " 53¢ up - 15¢ "	Cigars: up to 7¢ - 1¢ each 8¢ to 15¢ - 2¢ " 16¢ " 25¢ - 4¢ " 26¢ " 35¢ - 6¢ " 36¢ " 45¢ - 8¢ " over 45¢ - 10¢ "	Cigars: 7¢ or less - 1¢ each 8¢ to 15¢ - 2¢ " 16¢ " 22¢ - 3¢ " 23¢ " 32¢ - 5¢ " 33¢ " 42¢ - 7¢ " over 43¢ - 9¢ "	Cigars: 7¢ or less - 1¢ each 8¢ to 15¢ - 2¢ " 16¢ " 22¢ - 3¢ " 23¢ " 32¢ - 5¢ " 33¢ " 42¢ - 7¢ " over 43¢ - 9¢ "	-	-	
Other tobacco products - 2 1/2¢ per 1/2 oz. or part thereof.	Other tobacco products - 3¢ per 1/2 ounce unit.	Other tobacco - 2¢ per 1/2 oz. or fraction thereof.	Tobacco - 2¢ per 1/2 oz. or fraction thereof.	Other tobacco products - 2¢ per 1/2 oz. or part thereof.	-	-	4
-	-	-	-	-	-	-	
The Health Insurance Act; R.S.O. 1972, c. 91.	-	(a) The Saskatchewan Hospitalization Act; R.S.S. 1965, c. 253 and amendments. (b) The Saskatchewan Medical Care Insurance Act; R.S.S. 1965, c. 255 and amendments.	The Health Insurance Premiums Act; R.S.A. 1969, c. 45 and amendments.	Medical Services Act; R.S.B.C. 1967, c. 24.	Health Care Insurance Plan Ordinance; 1971 (1st), c. 15.	-	5
Monthly premiums	-	Annual premiums	Annual premiums	Monthly premiums	Monthly premiums	-	6
Single \$11.00 Family \$22.00	-	(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	Single \$ 6.50 Family of two \$12.50 Family of three or more \$14.50	-	7
Premiums are waived for welfare recipients and persons 65 years of age and over.	-	Welfare recipients and persons 65 years of age and over do not have to pay premiums	Persons 65 years of age and over do not have to pay premiums.	The hospital insurance program is financed from general tax revenue.	The Territory subsidizes 100% of the premiums of persons with no taxable income and 50% of the premiums of single persons with taxable income of less than \$500. of families of two with taxable income of less than \$1,000 and of families of three or more with taxable income less than \$1,300.	-	8
The province subsidizes 100% of the premium of persons with no taxable income and 50% of the premiums of single persons with taxable income of less than \$1,000 and families with taxable income of less than \$2,000.	-	The two premiums are collected jointly.	Premiums are reduced to \$24.00 for single persons and \$48.00 for families with no taxable income; they are reduced to \$36.00 for single persons whose taxable income does not exceed \$500.00 and \$72.00 for families whose combined taxable income does not exceed \$1,000.00.	The province subsidizes 90% of the premiums of persons with no taxable income in the previous year and 50% of the premiums of persons with taxable income not in excess of \$1,000 in the previous year.			
Hospitalization and medical care premiums are combined.	-		Hospitalization and medical care contributions are combined.				

TABLE 5. Miscellaneous Provincial Taxes - Concluded

No.	Newfoundland	Prince Edward Island	Nova Scotia	Quebec
	Other taxes			
1	Name of tax Telegraph and wireless tax	—	Tax on long-distance telephone calls	Telecommunications
2	Statutory authority The Telegraph Tax Act; R.S.N. 1952, c. 33.	—	Corporations Tax Act; R.S.N.S. 1967, c. 61.	Telecommunications Tax Act; 1965, c. 28.
3	Basis (a) by telegraph cables to places outside the province; (b) by wireless station communicating with any place, ship, or vessel outside the province; and (c) amount received for telegraphic messages passing over the land lines, or transmitted or received within the province.	—	Toll charge	Price of telecommunication
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.	8%
5	Comments (a) No-tax is charged if the purpose of the wireless station is only for the reporting of passing ships or vessels. (b) If messages originate or are delivered in any place outside the province, no tax applies.	—	Tolls under 25¢ are exempt.	Applicable to long distance telephone calls, telegrams and other telecommunications.
6	Name of tax —	Tax on alcoholic beverages	—	Meals and lodging tax
7	Statutory authority —	The Health Tax Act; S.P.E.I. 1951, c.71 and amendments.	—	Meals and Hotels Tax Act; R.S.Q. 1964, c.73 and amendments.
8	Basis —	Retail price	—	On meals priced \$1.50 and over, on alcoholic beverages, on any aerated water to which essence or syrup has been added, and on price of lodging.
9	Rate —	10%	—	8%
10	Comments —	Retail sales are made through provincial government liquor stores.	—	The tax is not payable by persons employed in an establishment on the price of lodging and meals (not including alcoholic beverages and aerated water) supplied to them by the person who keeps the establishment. Beer served in a tavern is not taxable.
11	Name of tax —	—	—	Logging tax
12	Statutory authority —	—	—	Logging Tax Act; R.S.Q. 1964, c.68 and amendments.
13	Basis —	—	—	Income (as defined).
14	Rate —	—	—	10%
15	Comments —	—	—	Full exemption is allowed where income is less than \$10,000; where income exceeds \$10,000, the tax is paid on the total income including the \$10,000.

TABLE 5. Miscellaneous Provincial Taxes - Concluded

Ontario	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.
Professional boxing and wrestling events	-	-	-	Fur tax	Fur tax	1
The Athletics Control Act; R.S.O. 1960, c. 26.	-	-	-	Fur Export Ordinance; R.O.Y.T. 1958, c. 49 and amendments.	Fur Export Ordinance; 1967 (1st Session), c. 8.	2
Gross receipts of professional boxing and wrestling events.	-	-	-	Per pelt exported	Per pelt exported \$1.00.	3
2%	-	-	-	Various rates	-	4
2%	-	-	-	Rates are established by regulations with a range from 1¢ to \$5.00 per pelt.	-	5
Land transfer tax	Motor vehicle insurance tax	Bus mileage tax	Hotel and motel room tax	Alcoholic beverages tax	Alcoholic beverages tax	6
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; R.S.B.C. 1971, c. 26.	Government Liquor Ordinance; R.O.Y.T. 1970 (1st session), c. 3.	Alcohol Ordinance; R.O. 1956, c. 60.	7
Purchase price	Gross premiums receivable	By passenger mile	Purchase price of accommodation in hotels and motels	By the bottle, flask, or gallon	Establishment's purchase price; by the bottle.	8
Upto \$35,000 - 3/10 of 1% Over \$35,000 - 3/5 of 1%	1%	1/15 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	3% in establishments with no dining room (minimum \$50.00) 2% in establishments with dining rooms (minimum \$50.00) 1% in private clubs, canteens plus \$1.00 per dozen imported beer \$1.00 per 25 oz. bottle of imported spirits or for 26 oz. bottles of imported wine.	9
-	-	-	-	-	-	10
-	-	-	Logging tax	-	-	11
-	-	-	Logging Tax Act; R.S.B.C. 1960, c. 225 and amendments.	-	-	12
-	-	-	Net income	-	-	13
-	-	-	15% where net income exceeds \$10,000.	-	-	14
-	-	-	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 20% 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 had been provided by local governments.

Prince Edward Island has in operation a programme somewhat similar to that of New Brunswick. A tax of 1% (1-1/10% prior to 1973) is imposed on the fair market value of all real property in the province; a further 1% (1-1/10% prior to 1973) is assessed against the fair market value of business property. The implementation of this programme 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, and 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, relief is provided by means of an income tax credit which is claimed by the individual in the household who has the highest taxable income. Single individuals living in premises which they own or rent are also eligible for the credit. Entitlement to relief is established by means of a formula that takes account of real property tax paid (in the case of an owner-occupied dwelling) or rent (in the case of rented residential premises) and of taxable income. To a basic \$90 is added either 10% of real property tax paid for the year or 2% of annual rent. From the amount thus established is subtracted 1% of the claimant's taxable income; the residual, if positive, is the amount of the credit that can be claimed. Where annual property tax for the year is less than \$90 or where annual rent is less than \$450, the tax credit entitlement is the actual property tax paid or 20% of rent paid minus 1% of

taxable income. Individuals without taxable income are eligible for a minimum credit of \$100. The maximum credit that can be claimed is \$200.

The relief provided by Manitoba also takes the form of an income tax credit. Entitlement to relief is established by means of a formula that sets the credit at \$200 (raised from \$140 in 1972) less 1% of taxable income subject to the provision that the amount of the credit cannot be less than \$100 (raised from \$50 in 1972). The formula applies in respect of owner-occupied dwellings and rented premises where the annual rent is \$1000 or more. For rented premises where the annual rent is less than \$1000, the credit is equal to either 20% (raised from 10% in 1972) of the rent paid or an amount equal to that established by means of the general formula, whichever is the lesser.

In Saskatchewan, real property tax relief is provided by means of a grant equal to 18 mills (raised from 13 mills in 1972) of assessed value up to a maximum assessed value of \$10,000 for a small business and \$15,000 for a farm. The grant payable to the home owner is the lesser of 1/2 of real property taxes paid or \$144 (raised from \$60 in 1972).

In Alberta, the home-owner tax subsidy programme and the Senior Citizens Shelter Act were repealed and replaced by the property tax reduction plan in 1973. Under the plan a grant of as much as \$216 is made in respect of an owner-occupied dwelling and an income tax credit which takes account of taxable income is allowed in respect of rented residential accommodations. This income tax credit is established by adding to a basic \$100 an amount equal to 2% of annual rent and by subtracting from the total 1% of the claimant's taxable income. The maximum credit that can be claimed in respect of rented accommodations is \$100.

In British Columbia, real property tax relief is provided by way of grant. Every home owner is entitled to an annual grant of \$200 in 1973 (raised from \$185 in 1972). The grant takes the form of a reduction of indebtedness on account of real property tax. Every home owner aged 65 or over is entitled to an additional \$50 grant which brings his total property tax relief to \$250 in 1973 (raised from \$235 in 1972). Where real property tax for the year is less than \$200 for a home-owner of less than 65 years of age or less than \$250 for a home-owner aged 65 or over, the grant is equal to the amount of real property tax less \$1. Individuals aged 65 or over who rent residential accommodations receive a grant of \$50 a year.

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.

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 1967 to 1971 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.

Real Property Tax per Capita, 1967 to 1971

	1967 (Act.)	1968 (Act.)	1969 (Act.)	1970 (Act.)	1971 (Est.)
	dollars				
Newfoundland	9.46	11.74	12.07	14.03	14.77
Prince Edward Island	37.50	49.76	59.64	49.90	50.96
Nova Scotia	59.86	77.88	71.57	83.06	92.38
New Brunswick	52.12	55.62	59.39	67.42	74.31
Quebec	92.76	103.20	114.34	117.10	123.14
Ontario	138.93	151.47	166.29	177.29	184.93
Manitoba	97.00	115.69	127.89	129.71	144.18
Saskatchewan	124.95	132.77	146.13	151.86	157.52
Alberta	110.40	124.80	135.45	136.91	143.65
British Columbia	115.63	137.45	152.41	169.77	181.30
Yukon	27.40	15.87	61.80	85.88	89.83
Northwest Territories	21.66	20.52	26.19	31.18	33.46
Canada	109.18	121.99	133.97	142.16	149.30

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 Expenditure* (Catalogue 68-207).

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, Manitoba, 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, 1963 to 1973

1963	1966
<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</p> <p>Dependants: Child under 16 300 Other dependent 550</p> <p>Old age (taxpayer 65 years of age and over) 500</p> <p>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: 17% 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 1963, 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 a taxpayer between the ages of 65 and 70 is cancelled if he is 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 \$12).</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>
1964	
<p>RATES</p> <p>Same as 1963 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 1963.</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>	
1965	
<p>RATES</p> <p>Same as 1964.</p> <p>EXEMPTIONS AND DEDUCTIONS</p> <p>Same as 1963.</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>	<p>RATES</p> <p>Same as 1969.</p> <p>EXEMPTIONS AND DEDUCTIONS</p> <p>Same as 1966 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>
	1970
	<p>RATES</p> <p>Same as 1969.</p> <p>EXEMPTIONS AND DEDUCTIONS</p> <p>Same as 1966 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>

TABLE I. Historical Summary of the Personal Income Taxes levied by the Federal Government, 1963 to 1973 - Concluded

1971	1972																																																																																																														
<p>RATES</p> <p>"Basic" personal income tax (excluding old age security tax): Nil on first \$500 of taxable income Nil on \$ 500 plus 16% on next \$ 1,500</p> <table><tr><td>\$ 240</td><td>" 2,000</td><td>" 18%</td><td>" "</td><td>1,000</td></tr><tr><td>420</td><td>" 3,000</td><td>" 19%</td><td>" "</td><td>1,000</td></tr><tr><td>610</td><td>" 4,000</td><td>" 22%</td><td>" "</td><td>2,000</td></tr><tr><td>1,050</td><td>" 6,000</td><td>" 26%</td><td>" "</td><td>2,000</td></tr><tr><td>1,570</td><td>" 8,000</td><td>" 30%</td><td>" "</td><td>2,000</td></tr><tr><td>2,170</td><td>" 10,000</td><td>" 35%</td><td>" "</td><td>2,000</td></tr><tr><td>2,870</td><td>" 12,000</td><td>" 40%</td><td>" "</td><td>3,000</td></tr><tr><td>4,070</td><td>" 15,000</td><td>" 45%</td><td>" "</td><td>10,000</td></tr><tr><td>8,570</td><td>" 25,000</td><td>" 50%</td><td>" "</td><td>15,000</td></tr><tr><td>16,070</td><td>" 40,000</td><td>" 55%</td><td>" "</td><td>20,000</td></tr><tr><td>27,070</td><td>" 60,000</td><td>" 60%</td><td>" "</td><td>30,000</td></tr><tr><td>45,070</td><td>" 90,000</td><td>" 65%</td><td>" "</td><td>35,000</td></tr><tr><td>97,820</td><td>" 125,000</td><td>" 70%</td><td>" "</td><td>100,000</td></tr><tr><td>137,820</td><td>" 225,000</td><td>" 75%</td><td>" "</td><td>175,000</td></tr><tr><td>269,070</td><td>" 400,000</td><td>" 80%</td><td>" "</td><td>remainder</td></tr></table> <p>Old age security tax: 4% of taxable income (maximum \$240).</p> <p>The social development tax is reduced to 2% of taxable income in excess of \$1,000 (maximum \$100).</p> <p>The surtax on basic personal income tax in excess of \$200 is reduced to 19%.</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>Same as 1970, except that the amount of any guaranteed income supplement payable under the Old Age Security Act is deductible in computing taxable income.</p> <p>TAX ABATEMENTS, REDUCTIONS AND CREDITS</p> <p>Same as 1967 except for the repeal of the "basic" personal income tax reduction of 20% (maximum \$20) and the introduction of a tax cut equal to 14% of "basic" personal income tax (effectively 3% of "basic" personal income starting from July 1, 1971).</p>	\$ 240	" 2,000	" 18%	" "	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	97,820	" 125,000	" 70%	" "	100,000	137,820	" 225,000	" 75%	" "	175,000	269,070	" 400,000	" 80%	" "	remainder	<p>EXEMPTIONS AND DEDUCTIONS</p> <p>Single..... \$1,500</p> <p>Married..... 2,850</p> <p>Dependants: Child under 16..... 300 Other dependant..... 550</p> <p>Student in full-time attendance at a post-secondary educational institution..... \$50 per month of attendance</p> <p>Old age (taxpayers 65 years of age and over)..... 1,000</p> <p>Taxpayer who is blind or confined to a wheelchair..... 1,000</p> <p>Charitable donations, medical expenses and union dues: Charitable donations: Up to 20% 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>Union or professional dues: No restriction.</p> <p>Child care expenses: \$500 for each child under 14 years of age (maximum \$2,000 per family)</p> <p>Employment expenses: Up to 3% of employment income (maximum \$150).</p> <p>Moving expenses: Removal expenses incurred by a taxpayer who changes job.</p> <p>TAX ABATEMENTS, REDUCTIONS AND CREDITS</p> <p>Provincial income tax abatement: All provinces other than Quebec: Nil. Quebec: 24% of federal personal income tax.</p> <p>Tax reduction: 3% of basic personal income tax.</p> <p>Dividend tax Credit: Individuals are allowed a credit for dividends which operates as follows: the amount of dividend received is increased by 33% and added to income and 20% of the "grossed up" dividend is allowed as a credit against tax.</p>																																			
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1972	1973																																																																																																														
<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 formerly excluded from tax.</p> <p>RATES</p> <p>15% on the first \$500 of taxable income \$ 35 on \$ 500 plus 18% on next \$ 500</p> <table><tr><td>175</td><td>" 1,000</td><td>" 19%</td><td>" "</td><td>1,000</td></tr><tr><td>355</td><td>" 2,000</td><td>" 20%</td><td>" "</td><td>1,000</td></tr><tr><td>565</td><td>" 3,000</td><td>" 21%</td><td>" "</td><td>2,000</td></tr><tr><td>785</td><td>" 5,000</td><td>" 23%</td><td>" "</td><td>2,000</td></tr><tr><td>1,445</td><td>" 7,000</td><td>" 25%</td><td>" "</td><td>2,000</td></tr><tr><td>1,945</td><td>" 9,000</td><td>" 27%</td><td>" "</td><td>2,000</td></tr><tr><td>3,485</td><td>" 11,000</td><td>" 31%</td><td>" "</td><td>3,000</td></tr><tr><td>3,415</td><td>" 14,000</td><td>" 35%</td><td>" "</td><td>10,000</td></tr><tr><td>6,915</td><td>" 24,000</td><td>" 39%</td><td>" "</td><td>15,000</td></tr><tr><td>12,765</td><td>" 39,000</td><td>" 43%</td><td>" "</td><td>21,000</td></tr><tr><td>21,795</td><td>" 60,000</td><td>" 47%</td><td>" "</td><td>excess</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>	175	" 1,000	" 19%	" "	1,000	355	" 2,000	" 20%	" "	1,000	565	" 3,000	" 21%	" "	2,000	785	" 5,000	" 23%	" "	2,000	1,445	" 7,000	" 25%	" "	2,000	1,945	" 9,000	" 27%	" "	2,000	3,485	" 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	<p>RATES</p> <p>15% on the first \$500 of taxable income \$ 75 on \$ 500 plus 18% on next \$ 500</p> <table><tr><td>165</td><td>" 1,000</td><td>" 19%</td><td>" "</td><td>1,000</td></tr><tr><td>355</td><td>" 2,000</td><td>" 20%</td><td>" "</td><td>1,000</td></tr><tr><td>555</td><td>" 3,000</td><td>" 21%</td><td>" "</td><td>2,000</td></tr><tr><td>975</td><td>" 5,000</td><td>" 23%</td><td>" "</td><td>2,000</td></tr><tr><td>1,435</td><td>" 7,000</td><td>" 25%</td><td>" "</td><td>2,000</td></tr><tr><td>1,935</td><td>" 9,000</td><td>" 27%</td><td>" "</td><td>2,000</td></tr><tr><td>2,475</td><td>" 11,000</td><td>" 31%</td><td>" "</td><td>3,000</td></tr><tr><td>3,405</td><td>" 14,000</td><td>" 35%</td><td>" "</td><td>10,000</td></tr><tr><td>6,905</td><td>" 24,000</td><td>" 39%</td><td>" "</td><td>15,000</td></tr><tr><td>12,755</td><td>" 39,000</td><td>" 43%</td><td>" "</td><td>21,000</td></tr><tr><td>21,785</td><td>" 60,000</td><td>" 47%</td><td>" "</td><td>excess</td></tr></table> <p>EXEMPTIONS AND DEDUCTIONS</p> <p>Single..... \$1,600</p> <p>Married..... 3,000</p> <p>Other exemptions and deductions: Same as 1972.</p> <p>TAX ABATEMENTS, REDUCTION AND CREDITS</p> <p>Provincial income tax abatement: Same as 1972.</p> <p>Tax reduction: A tax reduction equal to 5% of basic personal income with a minimum of \$100 and a maximum of \$500 was granted for all taxpayers. It replaces the 3% reduction of basic personal income tax in force in 1972.</p> <p>Dividend tax credit: same as 1972.</p>	165	" 1,000	" 19%	" "	1,000	355	" 2,000	" 20%	" "	1,000	555	" 3,000	" 21%	" "	2,000	975	" 5,000	" 23%	" "	2,000	1,435	" 7,000	" 25%	" "	2,000	1,935	" 9,000	" 27%	" "	2,000	2,475	" 11,000	" 31%	" "	3,000	3,405	" 14,000	" 35%	" "	10,000	6,905	" 24,000	" 39%	" "	15,000	12,755	" 39,000	" 43%	" "	21,000	21,785	" 60,000	" 47%	" "	excess
175	" 1,000	" 19%	" "	1,000																																																																																																											
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975	" 5,000	" 23%	" "	2,000																																																																																																											
1,435	" 7,000	" 25%	" "	2,000																																																																																																											
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TABLE II. Historical Summary of the Personal Income Taxes levied by the Province of Quebec, 1963 to 1973

1963		1965	
RATES		EXEMPTIONS AND DEDUCTIONS	
2.5% on first \$1,000 of taxable income		Same as 1963.	
TAX CREDIT		TAX CREDIT	
The credit for dividends from Canadian corporations is increased to 45% of the corresponding federal credit.			
1966			
RATES		RATES	
5.2% on first \$1,000 of taxable income		5.2% on first \$1,000 of taxable income	
\$ 52 on \$ 1,000 plus 2.8% on next \$ 1,000		\$ 52 on \$ 1,000 plus 6.6% on next \$ 1,000	
118 " 2,000 " 3.2% " " 2,000		118 " 2,000 " 8.0% " " 1,000	
198 " 3,000 " 3.6% " " 2,000		198 " 3,000 " 8.9% " " 1,000	
287 " 4,000 " 4.7% " " 2,000		287 " 4,000 " 10.3% " " 2,000	
493 " 6,000 " 5.4% " " 2,000		493 " 6,000 " 12.2% " " 2,000	
737 " 8,000 " 7.2% " " 3,000		737 " 8,000 " 14.1% " " 2,000	
1,019 " 10,000 " 8.1% " " 10,000		1,019 " 10,000 " 16.5% " " 2,000	
1,349 " 12,000 " 9.0% " " 15,000		1,349 " 12,000 " 18.8% " " 3,000	
1,913 " 15,000 " 9.9% " " 20,000		1,913 " 15,000 " 21.2% " " 10,000	
4,033 " 25,000 " 10.8% " " 30,000		4,033 " 25,000 " 23.5% " " 15,000	
7,558 " 40,000 " 11.7% " " 35,000		7,558 " 40,000 " 25.9% " " 20,000	
12,738 " 60,000 " 12.6% " " 100,000		12,738 " 60,000 " 28.2% " " 30,000	
21,198 " 90,000 " 13.5% " " 175,000		21,198 " 90,000 " 30.6% " " 35,000	
31,908 " 125,000 " 14.4% " remainder		31,908 " 125,000 " 32.9% " " 100,000	
		64,808 " 225,000 " 35.3% " " 175,000	
		126,583 " 400,000 " 37.6% " remainder	
Tax on investment income:		Tax on investment income:	
1/2 of 1% of such income in excess of the greater of \$2,400 or the total of personal exemptions.		1/2 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.	
EXEMPTIONS AND DEDUCTIONS		EXEMPTIONS AND DEDUCTIONS	
Single \$1,000		Same as 1963.	
Married 2,000		TAX CREDIT	
Dependants:		Same as 1965.	
Child under 16 300			
Other dependant 550		1967	
Old age (taxpayer 65 years of age or over) 500		RATES	
Other deductions:		5.5% on first \$1,000 of taxable income	
Similar to federal income tax deductions in Table I.		\$ 55 on \$ 1,000 plus 7.0% on next \$ 1,000	
TAX CREDIT		125 " 2,000 " 8.5% " " 1,000	
Credit for dividends received from Canadian corporations equal to 15% of the federal credit.		210 " 3,000 " 9.5% " " 1,000	
1964		305 " 4,000 " 11.0% " " 2,000	
RATES		525 " 6,000 " 13.5% " " 2,000	
Same as 1963.		785 " 8,000 " 15.0% " " 2,000	
EXEMPTIONS AND DEDUCTIONS		1,085 " 10,000 " 17.5% " " 2,000	
Same as 1963.		1,435 " 12,000 " 20.0% " " 3,000	
TAX CREDIT		2,035 " 15,000 " 22.5% " " 10,000	
Same as 1963.		4,285 " 25,000 " 25.0% " " 15,000	
1965		8,035 " 40,000 " 27.5% " " 20,000	
RATES		13,535 " 60,000 " 30.0% " " 30,000	
4.8% on first \$1,000 of taxable income		22,535 " 90,000 " 32.5% " " 35,000	
\$ 48 on \$ 1,000 plus 6.2% on next \$ 1,000		33,910 " 125,000 " 35.0% " " 100,000	
110 " 2,000 " 7.5% " " 1,000		68,910 " 225,000 " 37.5% " " 175,000	
185 " 3,000 " 8.4% " " 1,000		134,535 " 400,000 " 40.0% " remainder	
269 " 4,000 " 9.7% " " 2,000		Tax on investment income:	
463 " 6,000 " 11.4% " " 2,000		Rate increased to 2%; same base as 1966.	
691 " 8,000 " 13.2% " " 2,000		EXEMPTIONS AND DEDUCTIONS	
955 " 10,000 " 15.4% " " 2,000		The \$300 exemption for a child under 16 is repealed effective July 1, 1967 (this leaves a deduction of \$150 available for the taxation year 1967).	
1,263 " 12,000 " 17.6% " " 3,000		Low income:	
1,791 " 15,000 " 19.8% " " 10,000		No tax is payable if income does not exceed \$2,000 if single or \$4,000 if married.	
3,771 " 25,000 " 22.0% " " 15,000		Other exemptions and deductions:	
7,071 " 40,000 " 24.2% " " 20,000		Same as 1963.	
11,911 " 60,000 " 26.4% " " 30,000		TAX CREDIT	
19,831 " 90,000 " 28.6% " " 35,000		The credit for dividends from Canadian corporations is increased to 50% of the corresponding federal credit.	
29,841 " 125,000 " 30.8% " " 100,000			
60,641 " 225,000 " 33.0% " " 175,000			
118,391 " 400,000 " 35.2% " remainder			
Tax on investment income:			
Same as 1963.			

TABLE II. Historical Summary of the Personal Income Taxes levied by the Province of Quebec, 1963 to 1973 - Continued

1968	1972
<p>RATES</p> <p>Same as 1967 except for the imposition of a 6% surtax on the provincial personal income tax.</p> <p>EXEMPTIONS AND DEDUCTIONS</p> <p>Same as at July 1, 1967.</p> <p>TAX CREDIT</p> <p>Same as 1967.</p>	<p>RATES</p> <p>10% on first \$2,000 of taxable income</p> <p>\$ 200 on \$ 2,000 plus 11% on next \$ 1,000</p> <p>310 " 3,000 " 12% " " 2,000</p> <p>550 " 5,000 " 14% " " 2,000</p> <p>830 " 7,000 " 16% " " 2,000</p> <p>1,150 " 9,000 " 18% " " 2,000</p> <p>1,510 " 11,000 " 20% " " 3,000</p> <p>2,110 " 14,000 " 22% " " 10,000</p> <p>4,310 " 24,000 " 24% " " 15,000</p> <p>7,910 " 39,000 " 26% " " 21,000</p> <p>13,370 " 60,000 " 28% " remainder</p> <p>Health insurance tax: 8/10 of 1% of net income (maximum: \$125 if at least 1/4 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>Child 16 years of age and over dependent on taxpayer 550</p> <p>Old age (taxpayer 65 years of age or over) 650</p> <p>Low income: No tax is payable if 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>
<p>RATES</p> <p>Same as 1968.</p> <p>EXEMPTIONS AND DEDUCTIONS</p> <p>Same as at July 1, 1967.</p> <p>TAX CREDIT</p> <p>Same as 1967.</p>	<p>RATES</p> <p>Same as 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 1/4 of net income is salary, or \$200 otherwise), effective November 1, 1970.</p> <p>EXEMPTIONS AND DEDUCTIONS</p> <p>Same as at July 1, 1967.</p> <p>TAX CREDIT</p> <p>Same as 1967.</p>
<p>RATES</p> <p>Same as November 1, 1970.</p> <p>EXEMPTIONS AND DEDUCTIONS</p> <p>Same as at July 1, 1967.</p> <p>TAX CREDIT</p> <p>Same as 1967.</p>	<p>RATES</p> <p>Same as 1972.</p> <p>EXEMPTIONS</p> <p>Low income: No tax is payable if income does not exceed \$2,500 if single or \$5,000 if married.</p> <p>All other exemptions remain unchanged from 1972.</p> <p>TAX CREDIT</p> <p>Same as 1972.</p>
<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>	

TABLE III. Historical Summary of the Personal Income Taxes levied by the Provinces Other than Quebec, 1963 to 1973

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 imposts are expressed as a percentage of the federal "basic" personal income tax. For 1972 and 1973 they are expressed as a percentage of the revised "basic" federal personal income tax.

No.	Province	1963	1964	1965	1966	1967
1	Newfoundland.....	17	18	21	24	28
2	Prince Edward Island.....	17	18	21	24	28
3	Nova Scotia	17	18	21	24	28
4	New Brunswick	17	18	21	24	28
5	Ontario	17	18	21	24	28
6	Manitoba.....	23	24	26	29	33
7	Saskatchewan	23	24	27	29	33
8	Alberta	17	18	21	24	28
9	British Columbia.....	17	18	21	24	28

¹ Effective July 1, 1971.

² Effective July 1, 1969.

³ Effective July 1, 1969.

TABLE IV. Historical Summary of the Corporation Income Taxes levied by the Federal and Provincial Governments, 1963 to 1973

No.	Government	1963	1964	1965	1966	1967
1	Canada ¹	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 Dividend income: Exempt	Same as 1963	Same as 1963	Same as 1963	Same as 1963

See footnotes at end of table.

TABLE III. Historical Summary of the Personal Income Taxes levied by the Provinces Other than Quebec, 1963 to 1973

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 imposts are expressed as a percentage of the federal "basic" personal income tax. For 1972 and 1973 they are expressed as a percentage of the revised "basic" federal personal income tax.

1968	1969	1970	1971	1972	1973	No.
Same as 1967	33	Same as 1969	Same as 1969	36.0	Same as 1972	1
Same as 1967	Same as 1967	Same as 1967	33 ¹	36.0	Same as 1972	2
Same as 1967	Same as 1967	Same as 1967	Same as 1967	38.5	Same as 1972	3
Same as 1967	38 ²	Same as April 1, 1969	Same as April 1, 1969	41.5	Same as 1972	4
Same as 1967	Same as 1967	Same as 1967	27.5	29.585	30.5	5
Same as 1967	Same as 1967	39	Same as 1970	42.5	Same as 1972	6
Same as 1967	Same as 1967	34	Same as 1970	37.0	40.0	7
Same as 1967	33 ³	Same as July 1, 1969	Same as July 1, 1969	36.0	Same as 1972	8
Same as 1967	Same as 1967	Same as 1967	Same as 1967	30.5	Same as 1972	9

TABLE IV. Historical Summary of the Corporation Income Taxes levied by the Federal and Provincial Governments, 1963 to 1973

1968	1969	1970	1971	1972	1973	No.
Same as 1963 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.	<p>Public corporations:</p> <p>(a) Business income:² 50% of taxable income.</p> <p>(b) Dividend income: exempt unless paid out of the designated surplus of a subsidiary corporation.</p> <p>(c) Other investment income: 50%.²</p> <p>Private corporations:</p> <p>(a) Business income: 25% on the first \$50,000 of taxable income² and 50% on taxable income in excess of \$50,000² of active Canadian-controlled corporations; 50% of taxable income of other private corporations.²</p> <p>(b) Dividend income: usually exempt if received from subsidiary corporations; 33 1/3 if received from other corporations but refunded if dividends are paid to shareholders.</p> <p>(c) Other investment income: 50%² subject to the provision that half of the tax paid can be refunded as dividends are paid to shareholders.</p> <p>These rates are reduced by 7 percentage points in 1972.²</p>	<p>Public corporations:</p> <p>(a) Business income:</p> <p>(i) 40% of taxable income from manufacturing and processing activities.</p> <p>(ii) 49% of taxable income from other business activities.</p> <p>(b) Dividend income: exempt unless paid out of the designated surplus of a subsidiary corporation.</p> <p>(c) Other investment income: 49%.</p> <p>Private corporations:</p> <p>(a) Business income:</p> <p>(i) 20% on the first \$50,000 of taxable income and 40% on taxable income in excess of \$50,000 generated by the manufacturing and processing activities of Canadian-controlled corporations; 40% on taxable income generated by the manufacturing and processing activities of other private corporations.</p> <p>(ii) 25% on the first \$50,000 of taxable income and 49% on taxable income in excess of \$50,000 generated by the other business activities of Canadian-controlled corporations; 49% on taxable income generated by the other business activities of other private corporations.</p> <p>(b) Dividend income: usually exempt if received from subsidiary corporations; 33 1/3% if received from other corporations but the tax is refunded if dividends are paid to shareholders.</p> <p>(c) Other investment income: 49% subject to the provision that half of the tax paid can be refunded if dividends are paid to shareholders.</p>	1

TABLE IV. Historical Summary of the Corporation Income Taxes levied by the Federal and Provincial Governments, 1963 to 1973 - Concluded

No.	Government	1963	1964	1965	1966	1967
2	Newfoundland	9% on same base as federal income tax	Same as 1963	Same as 1963	Same as 1963	11%
3	Prince Edward Island	9% on same base as federal income tax	Same as 1963	Same as 1963	Same as 1963	10%
4	Nova Scotia	9% on same base as federal income tax	Same as 1963	Same as 1963	Same as 1963	10%
5	New Brunswick	9% on same base as federal income tax	Same as 1963	Same as 1963	Same as 1963	10%
6	Quebec	12% on base very similar to federal income tax	Same as 1963	Same as 1963	Same as 1963	Same as 1963
7	Ontario	11% on base very similar to federal income tax	Same as 1963	Same as 1963	Same as 1963	Same as 1963
8	Manitoba	10% on same base as federal income tax	Same as 1963	Same as 1963	Same as 1963	11%
9	Saskatchewan	10% on same base as federal income tax	Same as 1963	Same as 1963	Same as 1963	11%
10	Alberta	9% on same base as federal income tax	Same as 1963	Same as 1963	Same as 1963	10%
11	British Columbia	9% on same base as federal income tax	Same as 1963	Same as 1963	Same as 1963	10%

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 Effective April 1, 1968.

TABLE V. Historical Summary of the General Sales Taxes levied by the Federal and Provincial Governments, 1963 to 1973

No.		1963	1964	1965	1966	1967
	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 1963	} Same as 1963	} Same as 1963	} 9% 3% 12%) Effective January 1
2	(b) Old age security tax	3%				
3	(c) Combined rate (a + b)	11%				
	(d) Special rates:					
4	(i) Most building materials	Exempt prior to June 14, 4% June 14	4% to March 31, 8% effective April 1	2	2	11% effective January 1
5	(ii) Production machinery	Exempt prior to June 14, 4% June 14	4% to March 31, 8% effective April 1	2	2	11% to March 31, 6% from April 1 to June 2, exempt effective June 2
6	(iii) Dies, jigs, fixtures and moulds and patterns therefor and tooling for production machinery	Exempt prior to June 14, 4% June 14	4% to March 31, 8% effective April 1	2	Exempt effective March 30	1

See footnote(s) at end of table.

TABLE IV. Historical Summary of the Corporation Income Taxes levied by the Federal and Provincial Governments, 1963 to 1973 - Concluded

1968	1969	1970	1971	1972	1973	No.
12% ²	13%	Same as 1969	Same as 1969	Same as 1969	Same as 1969	2
Same as 1967	Same as 1967	Same as 1967	Same as 1967	Same as 1967	Same as 1967	3
Same as 1967	Same as 1967	Same as 1967	Same as 1967	Same as 1967	Same as 1967	4
Same as 1967	Same as 1967	Same as 1967	Same as 1967	Same as 1967	Same as 1967	5
Same as 1963	Same as 1963	Same as 1963	Same as 1963 ¹	Same as 1963	Same as 1963	6
12%	Same as 1968	Same as 1968	Same as 1964	Same as 1968	Same as 1968	7
Same as 1967	Same as 1967	13%	Same as 1970	Same as 1970	Same as 1970	8
Same as 1967	Same as 1967	Same as 1967	Same as 1967	Same as 1967	12%	9
Same as 1967	11% ³	Same as 1969	Same as 1969	Same as 1969	Same as 1969	10
Same as 1967	Same as 1967	Same as 1967	Same as 1967	Same as 1967	12%	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 30, 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, 1963 to 1973

1968	1969	1970	1971	1972	1973	No.
Same as 1967	Same as 1967	Same as 1967	Same as 1967	$\left\{ \begin{array}{l} 12\% \\ - \\ 12\% \end{array} \right\}$ Effective January 1	$\left\{ \begin{array}{l} \\ \\ \end{array} \right\}$ Same as 1972	1 2 3
Same as 1967	Same as 1967	Same as 1967	Same as 1967	Same as 1967	Same as 1967	4
1	1	1	1	1	1	5
1	1	1	1	1	1	6

TABLE V. Historical Summary of the General Sales Taxes levied by the Federal and Provincial Governments, 1963 to 1973 - Concluded

No.		1963	1964	1965	1966	1967
	2. Provincial sales taxes (imposed on retail price):					
7	(1) Newfoundland	5%	Same as 1963	Same as 1963	Same as 1963	6% (effective April 1)
8	(2) Prince Edward Island	4% prior to April 23; 5% April 23	Same as April 23, 1963	Same as April 23, 1963	Same as April 23, 1963	Same as April 23, 1963
9	(3) Nova Scotia	5%	Same as 1963	Same as 1963	Same as 1963	Same as 1963
10	(4) New Brunswick	3%	Same as 1963	Same as 1963	Same as 1963	6% (effective January 1)
11	(5) Quebec	4%	6% (effective April 1)	Same as April 1, 1964	Same as April 1, 1964	8% (effective March 17)
12	(6) Ontario:					
	(a) General	3%	Same as 1963	Same as 1963	5% (effective April 1)	Same as April 1, 1966
13	(b) Meals and alcoholic beverages	3%	Same as 1963	Same as 1963	5% (effective April 1)	Same as April 1, 1966
14	(7) Manitoba:					
	(a) General	-	-	-	-	5% (effective June 1)
15	(b) Spirits, wines and imported beer	-	-	-	-	5% (effective June 1)
16	(8) Saskatchewan	5%	Same as 1963	4% (effective February 20) ¹	Same as February 20, 1965	Same as February 20, 1965
17	(9) British Columbia	5%	Same as 1963	Same as 1963	Same as 1963	Same as 1963
	CHANGES IN EXEMPTIONS					
18	(Unless otherwise specified, the following are new exemptions).	Quebec: Farm produce; commercial vessels.		Prince Edward Island: Soft drinks. Quebec: Exemption for meals under \$1.00 raised to meals under \$1.25. Saskatchewan: Insecticides.	British Columbia: Candy; soft drinks; all meals; newspapers sold over the counter and by subscription; classroom supplies.	Federal sales tax: Drugs and medicines; some orthopaedic appliances; production machinery. Manitoba: Introduction of general sales tax (for list of exemptions see Table 3 on page 21).
	TAX ON SERVICES					
19		Nova Scotia: Long distance telephone calls.		Quebec: Hotel and motel accommodations; long distance telephone calls; telecommunications.	Ontario: Telephone services and telecommunications.	Manitoba: Hotel and motel accommodations; telephone services over 45¢; telecommunications; repairs; laundry and dry-cleaning; printing, photography, microfilming, etc.

¹ Exempt from federal sales tax.

² Subject to federal sales tax at full rates.

TABLE V. Historical Summary of the General Sales Taxes levied by the Federal and Provincial Governments, 1963 to 1973 - *Continued*

1968	1969	1970	1971	1972	1973	No.
7% (effective April 1) Same as April 23, 1963 Same as 1963	Same as April 1, 1968 7% (effective April 15) 7% (effective April 4) 8% (effective April 1) Same as March 17, 1967	Same as April 1, 1968 Same as April 15, 1969 Same as April 4, 1969 Same as April 1, 1969 Same as March 17, 1967	Same as April 1, 1968 8% (effective March 19) Same as April 4, 1969 Same as April 1, 1969 Same as March 17, 1967	Same as April 1, 1968 Same as March 19, 1971 Same as April 4, 1969 Same as April 1, 1969 Same as March 17, 1967	Same as April 1, 1968 Same as March 19, 1971 Same as April 4, 1969 Same as April 1, 1969 Same as March 17, 1967 7% (effective May 1) Same as April 1, 1969 Same as June 1, 1967 Same as June 1, 1972 Same as March 2, 1968 Same as 1963	7 8 9 10 11 12 13 14 15 16 17
Saskatchewan: Former exemption for all meals restricted to meals under \$2.00.	Ontario: Meals under \$2.51. Repeal of exemption for industrial machinery.	Saskatchewan: Electricity used for heating. Repeal of exemption for meals under \$2.00.	Prince Edward Island: Railway rolling stock; commercial vessels. New Brunswick: Building materials.	Newfoundland: Children's clothing. Quebec: Industrial production equipment. Ontario: Repeal of exemption for draught beer, which becomes taxable as in (b). Manitoba: 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. Saskatchewan: Meals under \$2.51.	Federal Sales Tax: Confectioneries, chocolate bars, soft drinks, fruit drinks and similar near food products; children's clothing, shoes and other footwear. Nova Scotia: Larger sizes of children's clothing and footwear; all merchandise, except automotive equipment and parts, sold to Indians on reservations for their own use. Quebec: Exemption for meals under \$1.25 raised to meals under \$1.50. Small sale exemption raised from 10¢ to 15¢. Ontario: Exemption for meals increased from \$2.50 to \$4.00. Seeds, bulbs, natural flowers, etc; household pets.	18
New Brunswick: Hotel and motel accommodations; telecommunications. Saskatchewan: Hotel and motel accommodations; telephone services; telecommunications.	Newfoundland: Hotel and motel accommodations; telephone services; telecommunications; repairs; laundry and dry-cleaning. New Brunswick: Laundry and dry-cleaning. Ontario: Hotel and motel accommodations.		British Columbia: Hotel and motel accommodations.	Nova Scotia: Hotel and motel accommodations.		19

^a Except for beer and spirits which remained taxable at 5%.

TABLE VI. Historical Summary of the Taxes on Motive Fuels and Tobacco Products levied by the Provincial Governments, 1963 to 1973

No.	Province	1963	1964	1965	1966	1967
Newfoundland:						
1	Motive fuel	19¢ per gallon	Same as 1963	Same as 1963	Same as 1963	20¢ per gallon (effective April 1)
2	Cigarettes.....	Nil	} ¼ of 1¢ each 1¢ to 5¢ each 1¢ per ½ oz. unit (effective July 1)	} Same as July 1, 1964	} Same as July 1, 1964	} Same as July 1, 1964
3	Cigars	Nil				
4	Tobacco	Nil				
Prince Edward Island:						
5	Gasoline	16¢ per gallon to April 22; 18¢ per gallon effective April 23	Same as April 23, 1963	Same as April 23, 1963	Same as April 23, 1963	Same as April 23, 1963
6	Diesel fuel	16¢ per gallon to April 22; 18¢ per gallon effective April 23	Same as April 23, 1963	Same as April 23, 1963	Same as April 23, 1963	Same as April 23, 1963
7	Cigarettes	1/5 of 1¢ each	} Same as 1963	} Same as 1963	} Same as 1963	} Same as 1963
8	Cigars	1¢ to 3¢ each				
9	Other tobacco	10%				
Nova Scotia:						
10	Gasoline	19¢ per gallon	Same as 1963	Same as 1963	Same as 1963	Same as 1963
11	Diesel fuel	27¢ per gallon	Same as 1963	Same as 1963	Same as 1963	Same as 1963
12	Aviation fuel	Nil	Nil	Nil	Nil	Nil
13	Cigarettes.....	1/10 of 1¢ each	Same as 1963	Same as 1963	Same as 1963	Same as 1963
14	Other tobacco products	5%				
New Brunswick:						
15	Gasoline	18¢ per gallon	Same as 1963	Same as 1963	Same as 1963	Same as 1963
16	Diesel fuel	23¢ per gallon	Same as 1963	Same as 1963	Same as 1963	Same as 1963
17	Aviation fuel	Nil	Nil	Nil	Nil	Nil
18	Cigarettes.....	1/5 of 1¢ each	} Same as 1963	} Same as 1963	} Same as 1963	} Same as 1963
19	Cigars	1¢ to 3¢ each				
20	Other tobacco products.....	10%				
Quebec:						
21	Gasoline	13¢ per gallon to April 5; 15¢ per gallon effective April 6	} Same as April 6, 1963	} 16¢ per gallon 22¢ per gallon (effective April 8)	} Same as April 8, 1965	} Same as April 8, 1965
22	Diesel fuel	18½¢ per gallon to April 5; 21¢ per gallon effective April 6				
23	Aviation fuel	Nil				
24	Cigarettes.....	1/5 of 1¢ each	} Same as 1963	} 6/25 of 1¢ each 12% (when over 5¢) 12% (effective April 8)	} Same as April 8, 1965	} Same as April 8, 1965
25	Cigars	10% (when over 5¢)				
26	Manufactured tobacco.....	10%				
Ontario:						
27	Motive fuel	13¢ per gallon	15¢ per gallon	} Same as February 13, 1964	} 16¢ per gallon 22¢ per gallon (effective April 1)	} Same as April 1, 1966
28	Diesel fuel	18½¢ per gallon	21½¢ per gallon (effective February 13)			
29	Aviation fuel	Nil	Nil	Nil	Nil	Nil
30	Cigarettes.....	Nil	Nil	Nil	} 1/20 of 1¢ each to April 1; 1/10 of 1¢ from April 1 1/5 of 1¢ per 5¢ 1¢ per oz. to April 1; 1¢-2¢ per oz. from April 1	} Same as April 1, 1966
31	Cigars	Nil	Nil	Nil		
32	Tobacco	Nil	Nil	Nil		

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, 1963 to 1973

1968	1969	1970	1971	1972	1973	No.
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	Same as April 1, 1968	1
1/2 of 1¢ each	Same as April 1, 1968	Same as April 1, 1968	Same as April 1, 1968	1¢ each 4¢ to 20¢ each 4¢ per 1/2 oz. unit (effective June 1)	Same as June 1, 1972	2
2¢ to 10¢ each						3
3¢ per 1/2 oz. unit (effective April 1)						4
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	Same as March 20, 1968	5
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 1972)	Same as April 19, 1972	6
2/5 of 1¢ each	Same as March 20, 1968	Same as March 20, 1968	Same as March 20, 1968	Same as March 20, 1968	Same as March 20, 1968	7
20%						8
20% (effective March 20)						9
Same as 1963	21¢ per gallon (effective April 4)	Same as April 4, 1969	Same as April 4, 1969	Same as April 4, 1969	Same as April 4, 1968	10
Same as 1963	Same as 1963	Same as 1963	Same as 1963	Same as 1963	Same as 1963	11
Nil	Nil	Nil	3¢ per gallon (effective August 1)	Same as August 1, 1971	Same as August 1, 1971	12
Same as 1963	4/10 of 1¢ each (effective April 4)	Same as April 4, 1969	Same as April 4, 1969	Same as April 4, 1969	Same as April 4, 1969	13
						14
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	Same as April 1, 1969	15
Same as 1963	Same as 1963	Same as 1963	Same as 1963	Same as 1963	Same as 1963	16
Nil	Nil	Nil	3¢ per gallon (effective May 15)	Same as May 15, 1971	Same as May 15, 1971	17
Same as 1963	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	Same as April 1, 1969	18
						19
						20
18¢ per gallon						21
25¢ per gallon	Same as March 28, 1968	Same as March 28, 1968	Same as March 28, 1968	Same as March 28, 1968	Same as March 28, 1968	22
3¢ per gallon (effective March 28)						23
2/5 of 1¢ each	Same as March 28, 1968	Same as March 28, 1968	Same as March 28, 1968	Same as March 28, 1968	Same as March 28, 1968	24
20% (when over 10¢)						25
20% (effective March 28)						26
18¢ per gallon	Same as March 13, 1968	Same as March 13, 1968	Same as March 13, 1968	19¢ per gallon 25¢ per gallon (effective March 29)	Same as March 29, 1972	27
34¢ per gallon						28
3¢ per gallon (effective March 13)						29
3/10 of 1¢ each	2/5 of 1¢ each	Same as March 5, 1969	Same as March 5, 1969	0.46 of 1¢ each	Same as March 29, 1972	30
1/2 of 1¢ per 5¢	1/2 of 1¢ per 5¢					31
24¢ per oz. (effective March 13)	2 1/2¢ per oz. (effective March 5)					32

TABLE VI. Historical Summary of the Taxes on Motive Fuels and Tobacco Products levied by the Provincial Governments, 1963 to 1973 - Concluded

No.	Province	1963	1964	1965	1966	1967
Manitoba:						
1	Gasoline	14¢ per gallon	17¢ per gallon	} Same as October 19, 1964	} 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	1/5 of 1¢ each	2/5 of 1¢ each	} Same as October 19, 1964	} Same as October 19, 1964	} Same as October 19, 1964
5	Cigars	1¢ to 5¢ each	1¢ to 10¢ each			
6	Manufactured tobacco	1¢ per ½ oz. (effective April 27)	2¢ per ½ oz. (effective October 19)			
Saskatchewan:						
7	Gasoline	14¢ per gallon	} Same as 1963	} Same as 1963	{ 15¢ per gallon 18¢ per gallon (effective March 15)	} Same as March 15, 1966
8	Diesel fuel	17¢ per gallon				
9	Aviation fuel	Nil	Nil	Nil	Nil	Nil
10	Cigarettes	Nil	Nil	1/5 of 1¢ each	} Same as April 1, 1965	{ 1/5 of 1¢ each 1¢ to 5¢ each 1¢ per ½ oz.
11	Cigars	Nil	Nil	1¢ to 5¢ each		
12	Manufactured tobacco	Nil	Nil	1¢ per oz. (effective April 1)		
Alberta:						
13	Gasoline	12¢ per gallon	} Same as 1963	} Same as 1963	} Same as 1963	} Same as 1963
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 1963	} Same as 1963	} Same as 1963	} Same as 1963
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	8¢ per gallon	9¢ per gallon	Same as 1964	Same as 1964	Same as 1964
26	Aviation fuel	Nil	Nil	Nil	Nil	Nil
Northwest Territories:						
27	Gasoline	4½¢ per gallon	6¢ per gallon	7½¢ per gallon	9¢ per gallon	10¢ per gallon
28	Diesel fuel	2½¢ per gallon Effective April 1	3¢ per gallon Effective April 1	3½¢ per gallon Effective April 1	4¢ per gallon Effective April 1	6¢ per gallon Effective April 1
29	Aviation fuel	1½¢ per gallon	Same as 1963	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, 1963 to 1973 - Concluded

1968	1969	1970	1971	1972	1973	No.
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	1
						2
						3
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	Same as May 1, 1972	4
				1¢ to 15¢ each		5
				3¢ per 1/2 oz. (effective May 1)		6
17¢ per gallon	Same as March 1, 1968	19¢ per gallon	Same as March 3, 1970	Same as March 3, 1970	Same as March 3, 1970	7
26¢ per gallon (effective March 1)		21¢ per gallon				8
2¢ per gallon (effective April 2)	Same as April 2, 1968	4¢ per gallon (effective March 3)				9
8/25 of 1¢ and 9/25 of 1¢ each	Same as March 1, 1968	Same as March 1, 1968	Same as March 1, 1968	Same as March 1, 1968	9/25 of 1¢ each, Feb. 9/73 Same as March 1, 1968 Same as March 1, 1968	10
1¢ to 10¢ each						11
3¢ per 1/2 oz. (effective March 1)						12
15¢ per gallon	Same as June 1, 1968	Same as June 1, 1968	Same as June 1, 1968	Same as June 1, 1968	Same as June 1, 1968	13
14¢ per gallon						14
3¢ per gallon (effective June 1)						15
Nil	8/25 of 1¢ each	Same as June 30, 1969	Same as June 30, 1969	Same as June 30, 1969	Same as June 30, 1969	16
Nil	1¢ to 9¢ each					17
Nil	64¢ per lb. (effective June 30)					18
Same as 1963	Same as 1963	Same as 1963	15¢ per gallon	Same as February 5, 1971	Same as February 5, 1971	19
			17¢ per gallon			20
			3¢ per gallon (effective February 5)			21
Nil	Nil	Nil	8/25 of 1¢ each	Same as February 5, 1971	Same as February 5, 1971	22
Nil	Nil	Nil	1¢ to 9¢ each			23
Nil	Nil	Nil	2¢ per 1/2 oz. (effective February 5)			24
11¢ per gallon (effective January 23)	Same as January 23, 1968	Same as January 23, 1968	14¢ per gallon	Same as 1971	Same as 1971	25
Nil	Nil	Nil	2¢ per gallon (effective April 1)	Same as April 1, 1971	Same as April 1, 1971	26
11¢ per gallon (effective April 1)	12¢ per gallon	Same as 1969	14¢ per gallon (effective April 1)	Same as April 1, 1971	Same as April 1, 1971	27
8¢ per gallon (effective April 1)	10¢ per gallon (effective April 1)	12¢ per gallon (effective April 1)	15¢ per gallon (effective April 1)			28
Same as 1963	Same as 1963	Same as 1963	2 1/4¢ per gallon (effective April 1)			29

TABLE VII. Historical Summary of the Federal Taxes on Alcoholic Beverages and Tobacco Products, 1963 to 1973

	1963	1964 to 1966 inclusive	1967	1968 to 1973 inclusive
1. Beer	Excise duty of 38¢ per gallon	Same as 1963	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 1963	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 1963	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 1963	Same as 1963	Same as 1963
5. Imported spirits taken into bonded manufactory..	Excise duty of 30¢ per proof gallon (in addition to other duties)	Same as 1963	Same as 1963	Same as 1963
6. Wines:				
(a) Containing 7% or less of absolute alcohol by volume	Excise tax of 25¢ per gallon	Same as 1963	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 1963	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 1963	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 1963	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 1963	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 1963	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 1963	Same as 1963	Same as 1963

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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