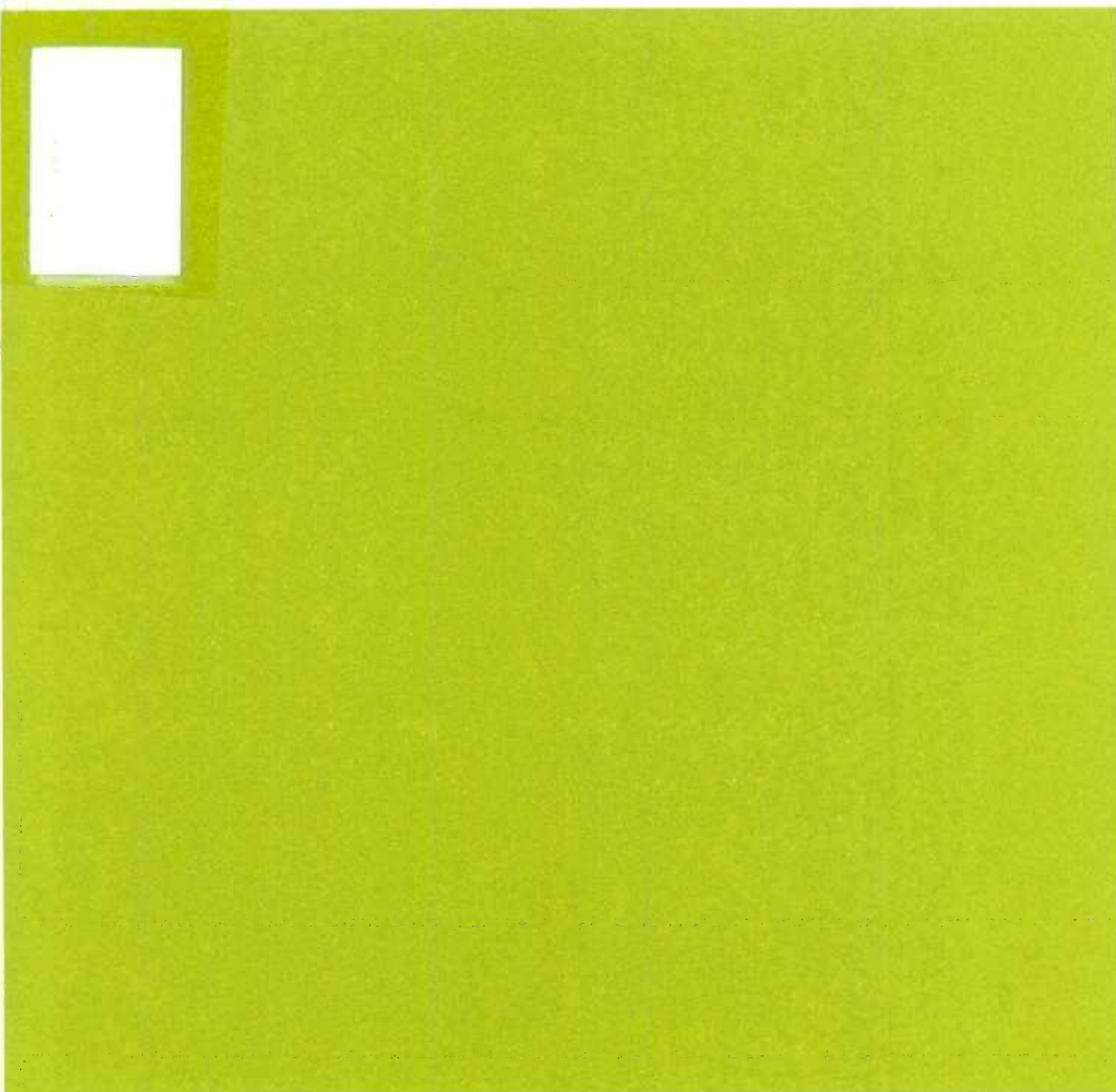
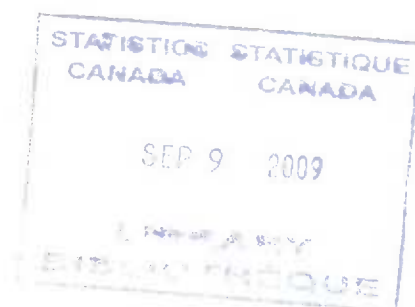


Principal taxes and rates

FEDERAL, PROVINCIAL
AND LOCAL GOVERNMENTS

1974



STATISTICS CANADA
Public Finance Division

PRINCIPAL TAXES AND RATES

FEDERAL, PROVINCIAL AND LOCAL GOVERNMENTS

1974

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INTRODUCTION

The purpose of this publication is to present a summary of the structures and rates of the more important taxes levied in Canada by the three levels of government: federal, provincial and local. The various taxes are arranged in related groups to facilitate comparisons of similar or nearly similar impositions.

As for previous years, the publication comprises five parts which are preceded by a general commentary. These parts are as follows:

Part

I: Income, Capital, Gift and Inheritance Taxes

II: General Sales Taxes

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

IV: Real Property Taxes

V: Historical Summary of Selected Taxes

In recognition of the growing importance of the petroleum and natural gas industries, comparative detail on the levies applicable to these industries has been incorporated in Table 5. This publication takes into account the principal levies in force as at and changes proposed prior to July 1, 1974 whether or not implemented at that date.

GENERAL COMMENTARY

Canada is a federal state with a central government, ten provincial and two territorial governments. The two levels of government were assigned responsibilities and taxing powers by the British North America Act which forms the written constitution of the country. In addition, this Act empowers the provincial governments to establish, within their respective territory, municipal institutions and to make laws regarding their fiscal and other associated powers. For a more detailed description of the overall Canadian fiscal structure, the reader may refer to previous years' issues of this publication.

Detailed comments on the 1972 tax reform were included in the 1972 and 1973 issues of this publication. It should be noted that the 1972 legislation provided for the remittance to provinces of 20% of the federal tax on the 1971 corporation undistributed income on hand. Moreover the 1972 *Federal-Provincial Fiscal Arrangements Act* guarantees the provinces revenue yields from individual and corporation income taxes of not less than they would have been in the absence of tax reform, i.e., the federal government undertakes to make yield deficiency payments as and if required.

Both the federal and the provincial governments levy personal and corporation income taxes. In 1962, Tax Collection Agreements were initiated whereby the federal government collects for all provinces (Quebec excepted) provincial individual income taxes, and provincial corporation income taxes (Ontario and Quebec excepted.) These agreements are adjusted periodically to take account of modifications introduced by the provinces regarding their rates of taxation as well as the implementation of certain relief measures. Since 1972, provincial individual or personal income taxes have been expressed as percentages of "basic federal tax". Provincial corporation income taxes have for many years

been expressed as percentages of corporation taxable income.

Prior to 1972, the provincial personal income tax was determined with reference to an amount called "basic tax", which itself was determined on rates inclusive of tax percentage points abated in favour of the provinces. The amount of such abatement was deducted in determining the federal tax payable and this amount plus any additional provincial tax constituted the provincial tax payable. In the 1972 tax reform, the federal rates were adjusted downwards for the full amount of the provincial abatements, thus abandoning the abatement mechanism. However, the supplementary abatement to Quebec for assuming full responsibility for programs which, in the other provinces, are financed partially or entirely by the federal government was adjusted to 24 percentage points in 1972 so to agree with the new determination of the base.

The federal government withdrew from the death and gift tax fields as of December 31, 1971. Since the federal estate tax had been shared with the provinces, whether or not they themselves levied succession duties, the federal withdrawal from this field of taxation meant a potential loss of revenue to provinces without succession duties. For such provinces the federal government agreed to collect (for three years) any succession duties and gift taxes they might wish to levy.

Quebec, Ontario and British Columbia which had been imposing and collecting succession duties have maintained their own system and, in 1972, began to levy a gift tax. Ontario and British Columbia chose to have their gift tax collected by the federal government. The remaining provinces, (with the exception of Alberta which has no succession duties or gift taxes) enacted succession duty and gift tax legislation with effect as at

January 1, 1972. Subsequently, Prince Edward Island rescinded, retroactively to January 1, 1972, its related Statutes; New Brunswick made its legislations ineffective on deaths and gifts occurring after December 31, 1973, and Nova Scotia and Newfoundland did likewise with the effective dates of April 1, 1974 and April 10, 1974 respectively. Thus currently the federal government acts as a collecting agent only for Saskatchewan, Manitoba (succession duties and gift taxes), and British Columbia and Ontario (gift taxes only).

In 1973, the federal government implemented, with effect as of January 1, 1974, the indexing of the personal income tax. In accordance with this scheme, personal exemptions and income tax rate brackets are to be adjusted for changes in the consumer price index with reference to 1971-72 as the base period. The factor applied to 1974 taxation year is 6.6%. The province of Quebec did not follow the federal policy in this regard, but introduced other measures which are described in Part 1.

Summary of Federal 1974 Budget Proposals

The budget brought down on May 6, 1974 proposed a number of changes in federal income and other taxes. Since the 29th Parliament was dissolved on the 8th of May, all taxes reverted to rates in effect prior to May 6. The budget proposals are summarized below.

In the area of personal income tax, the budget raised to \$150 from \$100 the minimum relief provided by the 5% tax cut of 1973. It broadened both the list of expenditures qualifying as medical expenses for tax purposes and the eligibility for the \$1,000 disabled and blind persons deduction. Contributions up to \$1,000 a year, to a maximum lifetime amount of \$10,000, to a registered Home Ownership Savings Plan, would have been deductible from net income if applied to the purchase and initial furnishing of a home. The budget also proposed the deduction from taxable income of the first \$1,000 in interest revenue from securities such as bank and trust company deposits, mortgages and Canada Savings Bonds and other bonds. All these changes were to take effect as at January 1, 1974.

In the area of corporation income tax a number of changes were proposed, namely a temporary surtax of 10% on corporate income for the period May 1, 1974 to April 30, 1975. (Manufacturing, processing and natural resource profits, Canadian-controlled private companies eligible for the small business deduction, mortgage investment, mutual fund and non-resident-owned investment corporations were exempted.) The annual income eligible for the corporate small business tax was to be raised from \$50,000 to \$100,000 and the overall limit, from \$400,000 to \$500,000. There were also proposals to raise the basic rate of corporation income tax to 50%

from 48% with respect to mining, petroleum and gas corporations; to eliminate the practice of deducting royalties, mining taxes and other similar payments to provincial governments in computing federal taxable income; and to introduce an extra resource abatement to the provinces of 15% for mineral profits and 10% for petroleum profits (over and above the basic abatement of 10% for taxable income earned by corporations in the provinces).

A number of new exemptions from the federal sales tax were also announced, for instance; clothing, footwear, bicycles; certain construction equipment articles and materials for water systems, buses and other public transportation equipment purchased by local governments. It was further proposed to place a special excise tax on high-energy consuming vehicles, and to raise levies on cigarettes, cigars, tobacco and spirits, (other than beer) and wine (other than cider). Finally, the tax on free reserves which financial institutions claim against potential losses was to be reduced to 1% from 1 1/2% on eligible assets over \$2 billion. All the proposed changes were to take effect as at May 6, 1974, except those related to the personal income tax.

After the July 8 election, the Minister of Finance announced that the removal of the 12% sales tax on clothing and footwear proposed in the budget of May 6 would become effective as of July 16. The action was taken by order-in-council pursuant to Section 17 of the Financial Administration Act. The Minister also stated that Parliament would be asked to confirm the action when the House of Commons next meets. The other proposals put forward in that budget would require parliamentary approval.

NOTE

November 18 budget proposals are summarized in the Appendix on page 65.

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 followed by the year of the statute or revised statute, its chapter, and a statement as to whether there have been subsequent amendments, i.e., Excise Tax Act; R.S.C. 1970, c.E. 13 and amendments.

PART I

INCOME, CAPITAL, GIFT AND INHERITANCE TAXES

INCOME TAXES LEVIED BY THE FEDERAL GOVERNMENT

Under the Income Tax Act, the federal government levies a tax 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. It also levies a tax on certain payments to non-residents. In this regard, Canada has entered into income tax conventions with several countries to avoid double taxation of the same income and to prevent fiscal evasion.

Personal Income Tax

For tax purposes, income of individuals encompasses the following:

- (a) salaries, wages, commissions and other forms of personal remuneration as well as returns on investment;
- (b) capital gains, the computation of which is given below;
- (c) payments from income maintenance insurance plans to which the taxpayer's employer has made a contribution;
- (d) unemployment insurance benefits;
- (e) allowances paid under the Adult Occupational Training Act (not including the portion for personal or living expenses while away from home for training);
- (f) allowances paid under the Textile and Clothing Board Act;
- (g) scholarships, fellowships and bursaries (subject to a \$500 exemption), and
- (h) amounts contributed on an employee's behalf to a public medical care plan.

Capital Gains

Half of capital gains realized in a taxation year constitutes an income subject to income taxes at normal personal or corporation rates. Half of capital losses can be deducted from the capital gains brought into income. In cases where capital gains are not sufficient to offset capital losses, income from other sources can be reduced by as much as \$1,000. 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 from the sale of a taxpayer's own home 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 types of disposition of farm property, farmers have a choice of either being exempt on any gain realized on the sale of the principal residence, or of deducting \$1,000 per year of possession from the gain realized on the sale of the entire farm property including the principal residence.

Corporation Income Tax

For the taxation of corporation income, a distinction is made between private and public corporations, between two types of corporate income: business or investment income, as well as between Canadian and foreign-controlled corporations. To be defined as public, a corporation must have shares listed on a prescribed Canadian Stock Exchange or which meets certain conditions. It can also either be designated as public by the Minister of National Revenue or elect 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.

Rates of personal and corporation income taxes are set out in Table 1.

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: 17% on the first \$500 of taxable income \$ 60 on \$ 500 plus 18% on next \$ 500 150 " 1,000 " 19% " " 1,000 340 " 2,000 " 20% " " 1,000 540 " 3,000 " 21% " " 2,000 960 " 5,000 " 23% " " 2,000 1,420 " 7,000 " 25% " " 2,000 1,920 " 9,000 " 27% " " 2,000 2,460 " 11,000 " 31% " " 3,000 3,390 " 14,000 " 35% " " 10,000 6,890 " 24,000 " 39% " " 15,000 12,740 " 39,000 " 43% " " 21,000 21,770 " 60,000 " 47% " excess	Main exemptions and deductions from net income to arrive at "taxable income" are: Single taxpayer..... \$1,806 Married taxpayer..... 3,198 For each dependent child including nephews or nieces under 16 years of age 320 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) 586 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 1,066 Taxpayers who are blind or confined to a wheelchair 1,066 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.
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: 48% Canadian-controlled private corporations: 25% on the first \$50,000 and 48% 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). 48% (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.
	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.

Principal Taxes and Rates

1974

ERRATA

Part I Table 1, page 10; under-Rates, Personal income tax schedule.

Part V Table 1, page 51; under - 1974, Rates
delete and replace by the following:

12% on the first \$533 of taxable income

\$ 64	on \$	533	plus 18%	on next \$	533
160	"	1,066	" 19%	"	1,066
362	"	2,132	" 20%	"	1,066
576	"	3,198	" 21%	"	2,132
1,023	"	5,330	" 23%	"	2,132
1,514	"	7,462	" 25%	"	2,132
2,047	"	9,594	" 27%	"	2,132
2,622	"	11,726	" 31%	"	3,198
3,614	"	14,924	" 35%	"	10,660
7,345	"	25,584	" 39%	"	15,990
13,581	"	41,574	" 43%	"	22,286
23,207	"	63,960	" 47%	"	excess

Part I Table 1, page 10; under - Exemptions, deductions, tax credits, etc.

Part V Table 1, page 51; under - 1974, Exemptions and deductions.

delete: Single \$1,806
replace by: Single \$1,706

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

Income and Capital Taxes

All provincial governments levy a tax on the income of individuals who reside or, in the case of non-residents, who earn an income from sources within provincial boundaries. As indicated in the preceding General Commentary, the federal government is the collecting agent of provincial individual income tax (Quebec excepted) and provincial corporation income tax (Quebec and Ontario excepted). It was also indicated that rates of provincial individual income taxes are expressed as percentages of "basic federal tax",¹ with the exception of Quebec. Provincial rates are set out in Table 2.

The personal income tax system of the province of Quebec differs from that of the federal government. As mentioned earlier, Quebec does not apply the consumer price indexation mechanism to its personal income tax. However, it relieves completely from tax individuals whose income does not exceed certain amounts. The 1974 Quebec budget raised these amounts from \$2,500 to \$2,600 for a single taxpayer and from \$5,000 to \$5,200 for a married taxpayer. This budget also provided some relief to single and married taxpayers whose income is between \$2,600 and \$2,850 and \$5,200 and \$5,785 respectively. These taxpayers are to pay taxes no higher than 50% of the difference between their net income and the amount of their exemptions. These two modifications became effective as at January 1, 1974. The Quebec system also differs from the federal system in that it does not exempt a dependent child eligible for family allowance; the federal system provides an exemption of \$320 in 1974.²

In addition to the changes mentioned above, the 1974 Quebec budget raised the special exemptions for a taxpayer aged 65 years of age and over and for a taxpayer who is blind or confined to a wheelchair from \$650 to \$1,000, effective January 1, 1974. Effective the same date, the amount the spouse of a taxpayer can earn before such earnings affect the taxpayer's personal exemption was increased to \$500 from \$250.

The other provinces to make personal income tax changes in 1974 were Newfoundland, Ontario and Manitoba. Newfoundland increased its rate from 36.0% to 40% effective July 1, 1974. Ontario increased its retail sales tax credit from 1% to 2% of personal exemptions, and raised the pension tax credit from \$100 to \$110 for taxpayers aged 65 and over. These credits supplement the Ontario real property tax credit and are included in the overall adjustment in respect of taxable income to arrive at the net amount of relief provided (that is, from aggregate gross tax credits claimed, an amount equal to 2% of taxable income is deducted to

establish the effective tax reduction). Manitoba introduced a tax credit program effective January 1, 1974 (to supplement the federal adjustment for increases in the cost of living). Under this scheme, the taxpayer is entitled to a tax credit determined by taking 2% of personal exemptions and, from the amount thus established, subtracting 1% of taxable income. This program also supplements Manitoba's real property tax credit scheme.³

All provinces levy a tax on corporation taxable income derived from activities carried on within their jurisdiction. 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, and are collected by the federal government under Tax Collection Agreements. 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.

None of the provinces changed its rate of corporation income tax in 1974. However, Ontario introduced, as of April 9, 1974, an income tax credit equal to 5% of the increase in paid-up capital or 50% of taxable income, whichever is the lesser, up to a maximum of \$3,000 for Canadian-controlled private corporations qualifying for the federal small business deduction. Quebec extended to March 31, 1975 (from March 31, 1974) the tax credits for corporations investing more than \$150,000 of their profits in designated areas of new technological processes or in the production of goods not yet produced in Quebec. It also extended to March 31, 1975 (from March 31, 1974) the fast write-off for investment in anti-pollution machinery and equipment.

Quebec, Ontario and British Columbia also levy a tax on the paid-up or utilized capital of corporations operating within their boundaries. These rates are set out in Table 2.

As at mid-April 1974, only five provinces are still levying a tax on succession and gifts, namely Quebec, Ontario, Manitoba, Saskatchewan and British Columbia. Quebec, Ontario and British Columbia collect their own succession duties, whereas Manitoba and Saskatchewan have them collected by the federal government. The latter also collects the gift tax levied by all these provinces, with the exception of the Quebec tax.

Quebec and Ontario announced changes in their succession duties for 1974. Quebec expressed its intention to reduce such duties by a further 20% as of January 1, 1975. They were reduced by 20% for the 1974 taxation year. Ontario increased its succession duty exemptions from \$2,000 to \$3,000 for a surviving dependent child for each full year the child is under age 26, and from \$4,000 to \$6,000 per year, for orphans, for each full year the orphan is under age 26, and for invalids, for each full year the invalid is under age 71. The basic exemption below which an estate is not taxable was increased to \$150,000 from \$100,000. All these Ontario changes are in respect of deaths occurring after April 9, 1974.

¹ The basic federal tax is the amount computed according to the graduated rate schedule appearing on page 10 before deduction of any federal tax cut.

² 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 16 years of age.

³ For a description of the Ontario and Manitoba real property tax credit schemes, the reader should refer to Part IV dealing with "Real Property Tax".

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 of federal income tax in that it does not tie principal exemptions to annual increases in the consumer price index and there is no exemption for a dependent child under 16 years of age).
3	Rate	40.0% ¹	36.0%	38.5%	41.5%	10% on first \$2,000 of taxable income \$ 200 on \$ 2,000 plus 11% on next \$ 1,000 310 " 3,000 " 12% " " 2,000 550 " 5,000 " 14% " " 2,000 830 " 7,000 " 16% " " 2,000 1,150 " 9,000 " 18% " " 2,000 1,510 " 11,000 " 20% " " 3,000 2,110 " 14,000 " 22% " " 10,000 4,310 " 24,000 " 24% " " 15,000 7,910 " 39,000 " 26% " " 21,000 13,370 " 60,000 " 28% on excess. In addition a special tax of 8/10 of 1% is levied on net income under the authority of the Health Insurance Act (1970 c. 37 and amendments). This tax is subject to a maximum of \$125 if at least 3/4 of net income is made up of salary and to a maximum of \$200 in other cases. Proceeds from the tax are used to help finance the provincial medical care program.
4	Comments.....	—	—	—	—	No tax is payable when net income does not exceed \$5,200 if married or \$2,600 if single.
Corporation income tax:						
5	Statutory authority	The Income Tax Act; 1961(2nd session), c. 1 and amendments.	The Income Tax Act; 1961(2nd session), c. 1 and amendments.	The Income Tax Act; S.N.S. 1967, c. 134 and amendments.	The Income Tax Act; S.N.B. 1961 (2nd session), c. 2 and amendments.	The 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.....	—	—	—	—	A fast write-off is available for corporations investing in air and water anti-pollution devices. Under a separate statute, corporations investing during the period April 1, 1971 to March 31, 1975 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 30% 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 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.
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.

¹ Effective July 1, 1974.

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.O. 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%	34.0%	30.5%	3
—	—	—	—	—	4
The Corporations Tax Act; R.S.O. 1970, c. 94 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 the increase in paid-up capital or 50% of taxable income whichever is the lesser up to a maximum of \$3,000 for Canadian-controlled private corporations qualifying for the federal small business deduction.	—	—	—	—	8
The Corporations Tax Act; R.S.O. 1970, c. 94 and amendments.	—	—	—	The Income Tax Act; 1962, c. 27 and amendments.	9
Paid-up capital of corporations.	—	—	—	Utilized capital of corporations.	10
1/6 of 1%.	—	—	—	1/10 of 1%.	11
—	—	—	—	—	12
The Gift Tax Act; R.S.O. 1961, c. 12.	The Gift Tax Act; S.M. 1971, c. 12 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
1	Gift taxes - Concluded: 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. 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	-				-
3	Succession duties: Statutory authority	The Succession Duty Act; S.N. 1972, No. 40.				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.
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.				<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>				<p>Estates valued at \$150,000 or less are 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.</p>
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>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	-				-

TABLE 2: Income, Capital, Gift and Inheritance Taxes levied by Provincial Governments - Concluded

Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	No.
<p>All gifts to a spouse, without limitation as to amount. Gifts up to \$2,000 a year to any other donee with an aggregate annual maximum of \$10,000.</p> <p>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
The Succession Duty Act; R.S.O. 1970, c. 449 and amendments.	The Succession Duty Act; S.M. 1972, c. S215.	The Succession Duty Act; S.S. 1972, c. 124.		The Succession Duty Act; S.B.C. 1960, c. 27 and amendments.	3
Net value of property passing at death.	Net value of property passing at death.	Net value of property passing at death.		Net value of property passing at death.	4
<p>On estate:</p> <p>Direct line - 10% to 28%</p> <p>Collateral line - 24% to 34%</p> <p>Strangers - 35% to 70%</p> <p>On individual's share in estate:</p> <p>Direct line - 5% to 30%</p> <p>Collateral line - 6.4% to 26%</p> <p>Strangers - nil.</p>	<p>Graduated from 10% on the first \$10,000 of aggregate net value to 50% on aggregate net value in excess of \$300,000.</p>	<p>Graduated from 7% on the first \$50,000 of aggregate net value plus 18% on the next \$10,000 to 50% on aggregate net value in excess of \$300,000.</p>		<p>On individual's share in estate:</p> <p>Direct line (special beneficiaries) - 10% to 36%</p> <p>Collateral line - 8% to 38%</p> <p>Strangers - 13% to 40%.</p>	5
<p>Estates passing to a surviving spouse.</p> <p>All estates valued at \$150,000 or less.</p>		All estates valued at \$50,000 or less.			6
<p>An additional \$3,000 for each full year that a dependent child is under 26 years of age, and an additional \$6,000 for each full year that an orphan or an invalid is under 26 and 71 years of age respectively.</p> <p>P forgiveness 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

GENERAL SALES TAXES

The federal government levies 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 import. On most commodities, the rate is 12%; it is 11% 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.

With the exception of Alberta, all provinces tax, at the retail level, a wide range of consumer goods and services. Rates vary from 5% in Manitoba, Saskatchewan and British Columbia to 7% in Nova Scotia and Ontario, and to 8% in Newfoundland, Prince Edward Island, New Brunswick and Quebec.

The main changes introduced in provincial sales taxation in 1974 were as follows:

- (a) Newfoundland raised its rate from 7% to 8% effective April 10, and added to its list of exemptions as at January 1, 1974, domestic fuel and heating oil.
- (b) Prince Edward Island made exempt from its retail sales tax materials used in making clothing, soap and cleaning supplies (including towels and the like), books and other printed material of informational or literary value as well as all articles traded in against purchases (an exemption was previously applicable only in respect of motor vehicle trade-ins). It raised the minimum taxable sale from 11¢ to 16¢, abolished the tax on prepared meals of \$2.00 or less and provided relief to newlyweds for the purchase of furniture and other household supplies (the sales tax paid on the first \$1,000 worth of purchases to be refunded if claimed within one year of marriage). All these changes became effective April 2.
- (c) New Brunswick has made exempt from sales taxation clothing and footwear as well as microfilm purchased by libraries which contains information equivalent to a book that would otherwise be exempted. It also increased the exemption for prepared meals to \$2.00 from \$1.00. Purchases under \$300 made by Status Indians off the reservation for delivery in the reservation were made exempt. All these changes became effective March 15.
- (d) Ontario enlarged its list of exemptions, effective April 29, to include a number of personal hygiene items such as toothpaste, baby powder, soap, deodorants and feminine hygiene products. All footwear sold at a price not exceeding \$30 were also made exempt.
- (e) Manitoba raised its exemption for prepared meals to \$2.99 from \$1.99, effective as at April 1; and extended, as at March 21, its exemptions to purchases made by Indians living on reservations, with the exception of purchases of motor vehicles and alcoholic beverages.
- (f) British Columbia exempted, as of February 11, all books and second-hand clothing.

Further details on the general sales taxes levied by 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.	Retail Sales Tax, 1972, Act No. 56 and regulations.	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.	8%	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	X
9	Classroom supplies	L ¹	—	X	X
10	Sales to churches	L ¹	—	L ⁴	L ⁴
	Newspapers and periodicals:				
11	Newspapers	X	L ⁵	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 ⁶	L ⁶
26	Alcoholic beverages	—	—	—	—
	Fuels and electricity:				
27	Firewood	X	X	X	X
28	Coal	X	—	X	X
29	Fuel oil (heating)	X	X	X	X
30	Gas (heating, cooking, etc.)	X	—	X	X
31	Electricity	X	—	X	S ⁷
32	Gasoline	—	S ⁸	S ⁸	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
4	Personal hygiene items	-	-	X	-
Production machinery and processing materials:					
5	Physical ingredients	X	X	X	X
6	Industrial machinery	X	L ¹⁰	X	X
7	Processing materials	X	L ¹¹	X	X
8	Purchases by municipalities	L ¹	-	L ¹	X
Transportation equipment:					
9	Railway rolling stock	L ¹⁶	X	X	X
10	Other railway supplies	-	'	-	-
11	Commercial vessels	L ¹⁸	L ¹⁹	L ²⁰	L ²⁰
12	Commercial aircrafts	L ¹⁷	X	L ¹⁷	L ¹⁷
Miscellaneous:					
13	Sales to federal government	-	X	X	X
14	Sales to provinces	X	-	-	X
15	Sales for exportation or for out of province delivery	X	X	X	X
16	Clothing and footwear	X	L ²⁴	L ²⁴	L ²⁴
17	Building materials	S ⁹	-	-	-
18	Small sales	N/A	'	'	'
Services subject to tax:					
19	Hotel and motel room rental	N/A	yes	yes	yes
20	Telephone services	N/A	yes	yes	
21	Long distance telephone calls	N/A	yes		S ⁷
22	Other telecommunications	N/A	yes		
23	Repairs	N/A	yes	yes	
24	Laundry and dry-cleaning	N/A	yes	yes	
25	Printing, photography, writing	yes	yes		

Legend:

- X: Unqualified exemption.
- L: Limited exemption.
- S: Subject to special rates, 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: Exemption limited to bibles, testaments, prayer books, messals and hymn books.
- L⁴: Rebate on purchases entering into capital investment.
- L⁵: Exempt when published within the province.
- L⁶: Exempt under \$2.01.
- L⁷: Exempt under \$3.00.
- L⁸: Exempt under \$2.51.
- 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 raw materials and chemicals used as reagents or catalysts in the transformation or manufacture of a product.
- L¹⁴: Exemption limited to a rebate on purchases entering into capital investment and to certain equipment for roads and fire-fighting.
- L¹⁵: 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.
- L¹⁶: Exempt when used exclusively for international trade.
- L¹⁷: Exempt when used for interprovincial or foreign trade.
- L¹⁸: Exempt when licensed to engage in the Canadian coastal trade.
- L¹⁹: Exempt over 300 tons.
- L²⁰: Exempt when normally operating in certain territorial waters.

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	-	-	-	4
X	X	X	X	X	X	5
X	S ¹⁰	-	-	-	-	6
L ¹²	L ¹¹	X	X	L ¹³	L ¹²	7
-	-	L ¹⁴	-	L ¹⁵	-	8
X	X	X	X	X	L ¹⁷	9
-	-	-	-	-	-	10
L ²⁰	X	L ²¹	-	-	L ²¹	11
L ¹⁷	L ²²	L ¹⁷	L ²²	L ²³	L ²²	12
X	X	X	X	X	X	13
-	X	-	-	-	-	14
X	X	X	X	X	X	15
X	X	L ²⁵	X	-	X	16
X	-	-	-	-	-	17
4	4	4	4	4	4	18
yes	S ⁷	yes	yes	yes	S ⁷	19
yes	yes	yes	L ²⁶	L ²⁷	yes	20
yes	S ⁷	yes	L ²⁶	L ²⁷		21
yes	S ⁷	yes	yes	yes		22
			yes			23
			yes			24
			yes			25

Specific references - Concluded:

- L²¹: Exempt over 500 tons gross.
L²²: Partially exempt on the basis of mileage of use within the province.
L²³: As a matter of policy resident based aircraft are taxable at the full rate and non-resident based aircraft on the basis of 1/60 of the original cost of the aircraft for each month or part month the aircraft operates in the province.
L²⁴: Children's clothing exempt.
L²⁵: Footwear \$30 and under exempt.
L²⁶: Exempt under 46¢.
L²⁷: Exempt when telephone call made from a coin operated box and is under 49¢.
S¹: Meals are not subject to the general retail sales tax in Quebec but to a separate tax imposed under the Meals and Hotels Tax Act at the same rate as the general retail sales tax; meals of \$1.49 or less are exempt.
S²: Special rate of 10% on meals of \$4.01 or over; meals of \$4.00 or less are exempt.
S³: Beer is subject to a special tax in lieu of sales tax; spirits are subject to the general sales tax.
S⁴: Spirits and beer are subject to a special tax of 10%.
S⁵: Spirits, wines and imported beer are subject to a special tax of 10%.
S⁶: Draught beer sold by the glass on licenced premises is exempt.
S⁷: Taxed under a separate statute - See Table 5 "Miscellaneous Provincial Taxes".
S⁸: Motive fuels are taxed separately in all provinces - See Table 5 "Miscellaneous Provincial Taxes".
S⁹: Subject to tax at special rate of 11%.
S¹⁰: 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 Sales below 8¢ in Newfoundland, 16¢ 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 LEVIES BY THE FEDERAL AND PROVINCIAL GOVERNMENTS

The federal government imposes customs duties on most imported commodities under the authority of the Customs Tariff Act; 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 not covered by (a) and (b). 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 Revenue Canada, Customs and Excise.

Under the provisions of the Excise Act, the federal government also levies duties on alcoholic beverages (other than wines) and tobacco products. In addition it levies, pursuant to 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. Under this statute, the federal government introduced in October 1973, a tax on the export of crude oil. In May of 1974, the coverage of the tax was broadened to include the export of refined oil products (subject to National Energy Board Licences). Details pertaining to these taxes as well as to the other taxes levied under the Excise Tax Act, and the duties under the Excise Act are presented in Table 4.

Provincial governments resort extensively to the taxation of admissions to places of amusement, motive and other fuels, insurance premiums, mining operations, race track betting, tobacco products, to fees on motor-vehicle registrations and to driving licences and permits. Three provinces and one territory levy premiums and one province, a payroll tax, to help finance their hospitalization and medical care programs. Some provinces levy special taxes on alcoholic beverages, land and security transfers, meals and lodging, telecommunications and logging operations; whereas in other provinces, these items are subjected to general sales taxes. 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 markups of these liquor boards and agencies are established in a way that constitutes effectively a kind of taxation. The markups 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 the mode of distribution at the retail level, all sales of alcoholic beverages contribute to provincial revenue.

A number of changes were made in the above-mentioned areas of provincial taxation in 1974, among which the most important are:

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

(a) Motive Fuel Taxes

Manitoba reduced, as of April 1, its motive fuel tax on gasoline from 17¢ to 15¢ per gallon, and on diesel fuel, from 20¢ to 18¢ per gallon; **Saskatchewan** lowered its motive fuel tax rate on gasoline from 19¢ to 12¢ per gallon, and on diesel fuel from 21¢ to 16¢ per gallon, effective May 15; and **Alberta** reduced, as of April 1, its motive fuel tax on gasoline and diesel fuel by 5¢ per gallon.

(b) Medical Care Premiums

Saskatchewan abolished, as of January 1, medical care premiums for all residents; and **Alberta** eliminated, as of July 1, medical care premiums for residents without taxable income.

(c) Mining, Oil and Natural Gas Taxation

Ontario replaced, as of April 9, its 15% tax on the profits of mining corporations by rates varying from zero on profits of less than \$100,000 to 40% on profits in excess of \$40 million; **Manitoba** increased, effective April 1, the rate of taxation on mining profits over \$50,000 from 15% to 23% and, as of the same date, introduced, in addition to an annual royalty, a monthly royalty on the assessed value of developed and new oil wells; **Saskatchewan** introduced a mineral income tax on crude oil and road allowance oil produced from small free-holdings and a royalty surcharge on the operator's share of oil production from Crown lands (including road allowance oil), and increased the acreage tax to 50¢ per acre up to 500,000 acres and to \$1.00 for 500,000 acres or more (previously this tax varied from 10¢ to 50¢ depending on the size of land holdings).² All these changes in Saskatchewan were made retroactive to January 1. **Alberta** increased royalties on developed and new oil-wells production from Crown lands as of July 1, and on natural gas production retroactive to January 1. **British Columbia** levied, as of January 1, 1973 a tax on mineral land holdings (details are spelled out in Table 5), imposed a royalty of 2.5% on the designated value of minerals sold, disposed of, or used by producers, effective January 1, 1974, and placed, as of August 1, a tax of \$1.00 per ton on metallurgical coal and 50¢ per ton on thermal coal.

(d) Other Taxes

Ontario introduced a tax of 50% on the increase in value (between April 9, 1974 and the date of sale) realized on the sale of designated land (all real property except Canadian resource property) effective April 10. It also increased, at the same date, the transfer tax on purchases of land by non-residents of Canada from 6/10 of 1% to 20%. **Manitoba** served notice of its intention to relinquish to municipalities, as of December 31, 1974, the provincial 10% tax on amusements. **British Columbia** reduced as of June 20, the tax on logging from 15% to 10% on profits over \$10,000. The **Northwest Territories** levied, as of April 1, a tax of 8/25 of 1¢ on all cigarettes and a tax varying from 1¢ to 7¢ on cigars.

² Royalty on potash was brought to \$1.20 from 60¢ per product ton on October 1, 1973.

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

Category	Statutory authority		Rate		Comments	
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	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.	
		Canadian raw leaf tobacco when sold for consumption	per pound	10¢		
		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		
Excise taxes	Excise Tax Act; (Part I), R.S. 1970, c. E13 and amendments.	Imported spirits taken into bonded manufactory, in addition to other duties	"	30¢	Imported spirits and beer are not subject to excise duties but the customs duties to which they are liable include an element in respect of excise.	
		Canadian brandy	"	\$12.25		
		Beer	per gallon	42¢		
		Insurance companies:				
		British or foreign companies not authorized to transact business in Canada, or non-resident agents of authorized British or foreign companies.	net premium	10%	Excluding insurance against marine risks, nuclear risks and life, personal accident or sickness insurance.	
Oil Export Tax Act	An Act to impose an oil export tax under the Excise Tax Act and to allocate certain revenues derived from the oil export tax, 21-22, Elizabeth II, 1973.	Crude oil:	per gallon 40¢ from October 1, 1973 to November 30, 1973 \$1.90 from December 1, 1973 to December 31, 1973 \$2.20 from January 1, 1974 to January 31, 1974 \$6.40 from February 1, 1974 to March 31, 1974		This Act ceased April 1, 1974.	
		Refined by-products of oil and natural gas subject to National Energy Board's licences.	per gallon \$4.00 from April 1, 1974 to May 31, 1974 \$5.20 from June 1, 1974			
		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 ³ 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¢	This levy applies equally to domestic and imported wines.	
		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:				
		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 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 3. 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 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.	Amusement Tax Act; R.S.Q. 1964, c. 76.
2	Basis	-	Admission price	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: School entertainment; agricultural fairs; religious, educational or charitable functions.	Exemptions: Charitable, agricultural or church functions. Taxes collected by the municipalities.
Motive and other fuel taxes						
5	Statutory authority	The Gasoline Tax Act; R.S.N. 1970, c. 47 and amendments. The Fuel Oil Tax Act; R.S.N. 1970, c. 145.	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 and Motive Fuel Tax Act; R.S.N.B. 1965, c. 3 and amendments.	Gasoline Tax Act; R.S.Q. 1970, c. 30 and amendments.
6	Basis	Per gallon	Per gallon	Per gallon	Per gallon	Per gallon
7	Rate	Motor fuel - 25¢ Fuel oil - 1¢	Gasoline - 21¢ Diesel fuel - 25¢	Gasoline 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 Act, R.S.O. 1970, c. 415 and amendments.	-	-	See: Race track tax section on page 38.	-	-	-	1
Admission price	-	-	-	-	-	-	2
From: 75¢ to 84¢ — 6¢ 85¢ to 90¢ — 7¢ 91¢ to 95¢ — 8¢ 96¢ and over — 10¢	-	-	-	-	-	-	3
Accommodation: Tickets for seating, 75¢ or less; religious, charitable or educational institutions (by way of refund).	-	-	-	-	-	-	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; 1968 (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 — 25¢ Aviation fuel — 3¢	Gasoline — 15¢ Diesel fuel — 18¢ Aviation fuel — 2¢ Special rates: Bunker — 1/3¢ Propane — 1¢ if used for commercial heating, and 15¢ if used for carburation Coloured gasoline — 1¢	Gasoline — 12¢ Diesel fuel — 16¢ Aviation fuel — 4¢ Other fuels — 4¢	Gasoline — 10¢ Diesel fuel — 12¢ 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¢	Gasoline — 14¢ Diesel fuel — 16¢ Aviation fuel — 2¢ Special rates: Fuel oil used for heating and cooking — 1¢	Gasoline — 14¢ Diesel fuel — 15¢ Fuel oil — 3¢ Aviation fuel — 2¢ Propane and butane — 2 1/2¢	7
Full tax refund is allowed on gasoline used exclusively in hunting 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 operations. 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 16¢ and 12¢ (but not from tax at 4¢) for coloured gasoline used 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. Coloured fuels when used in farming operations and when mixed with chemicals for weed or insect control are exempt from all taxes.	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 5¢ 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 laying or sprinkling on roads or streets, for delivery to D.E.W. stations, 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
	Motor vehicle registrations and driving permits					
1	Statutory authority	The Highway Traffic Act; R.S.N. 1970, c. 152 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	(b) Operator	(b) Operator	(b) Operator
			(c) Chauffeur	(c) Chauffeur	(c) Chauffeur	(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	(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	(a) 1. Passenger vehicles: \$1.00 per 100 lb. of vehicle weight. Minimum licence fee is \$15.00.	(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.	(a) 1. Passenger vehicles: 1¢ per pound (minimum \$20.00) plus a fee of \$1.00 for licence plates.
		2. Commercial vehicles: from \$22.00 (up to 4,000 lb.) to \$1,040.00 (69,001-70,000 lb.)	2. Commercial vehicles: from \$14.00 (up to 3,000 lb.) to \$916.00 (80,000 lb.)	2. Commercial vehicles: from \$29.00 (up to 4,000 lb.) to \$634.00 (49,001-50,000 lb.)	2. Commercial vehicles: from \$19.00 (up to 4,500 lb.) to \$1,435.00 (124,501 - 125,000 lb.)	2. Commercial vehicles: \$50.00 up to 15,000 lb. and \$100.00 above 15,000 lb.
		(b) Operator's licence - \$9.00	(b) Operator's licence - \$4.00	(b) Operator's licence - \$4.00	(b) Operator's licence - \$4.00 plus a \$6.00 unsatisfied judgement fee.	(b) Operator's licence - \$6.00
			(c) Chauffeur's licence - \$7.00	(c) Chauffeur's licence - \$7.00 (1 year)	(c) Chauffeurs licence - \$4.00 plus a \$6.00 unsatisfied judgement fee.	(c) Chauffeur's licence - \$6.00
4	Comments	(a) Reduced rates apply later in the year.	(a) Reduced rates apply later in the year.	(a) Vehicle registration expires March 31.	(a) Reduced rates apply later in the year which expires Dec. 31.	Operator's and chauffeur's licences have a two-year term.
		(b) Operator's licence has a three-year term. Expiry date is on licensee's birthday.	(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.		(b) 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. 162 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) Flat rate 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 Judgment 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 — \$5.00 501 lb. to 1,500 lb. — \$10.00 1,501 lb. to 2,000 lb. — \$14.00 2,001 lb. to 3,000 lb. — \$18.00 3,001 lb. to 4,000 lb. — \$22.00 4,001 lb. to 5,000 lb. — \$31.00 5,001 lb. to 6,000 lb. — \$45.00 6,001 lb. to 7,000 lb. — \$58.00 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 — \$3.00	(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. 1970, 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 to all insurance premiums, including fire insurance.
	(b) Fire insurance:					
5	Statutory authority.	The Insurance Premiums Tax Act; R.S.N. 1970, c. 179.	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. (b) The Insurance Act; R.S.O. 1970, c. 224 and amendments.	The Insurance Corporations Tax Act; R.S.M. 1970, c. 150 and amendments.	The Insurance Premiums Tax Act; 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. (b) Insurance Act; R.S.B.C. 1960, c. 197 and amendments.	-		1
(a) Gross premiums or deposits (b) Gross premiums or reciprocal inter-insurance exchanges.	Premium Income	Gross Premiums	Gross Premiums	(a) Gross Premiums (b) Premiums paid to unlicensed insurer or reciprocal exchange.	-		2
-	2%	2%	2%	(a) 2% (b) 5%	-		3
3 1/2% on insurance covering property fire, inland transport, livestock, plate glass, sprinkler leakage, theft and weather. 2% on other types of insurance	Exemption for marine insurance and annuity contracts.	Exemption for marine insurance and annuity contracts. "See "Miscellaneous taxes" for motor vehicle insurance, page 43.	Exemption for marine insurance and annuity contracts.	Exemption for marine insurance and annuity contracts.	-		4
-	-	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
1	Mining taxes Statutory authority	(a) The Mining Tax Act; R.S.N. 1970, c. 238 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%.		(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.	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.

TABLE 5. 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 and amendments.	(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; and amendments R.S.M. 1970, c. M150.	(a) The Mineral Taxation Act; R.S.S. 1965, c. 64 and amendments. (b) The Mineral Resources Act; R.S.S. 1965, c. 50 and amendments. (c) The Oil and Gas Conservation, Stabilization and Development Act; R.S.S. 1973, c. 42 and amendments. (d) The Road Allowance Crown Oil Act; R.S.S. 1965, c. 53.	(a) The Freehold Mineral Taxation Act; R.S.A. c. 89, 1973. (b) The Mines and Minerals Act; R.S.A. c. 52 and amendments, 1970. (c) Oil and Gas Conservation Act; R.S.A. c. 267, 1970.	(a) Mineral Land Tax Act; R.B.C. c. 53, 1973. (b) Mineral Royalties Act, 1974. (c) Petroleum and Natural Gas Act, and amendments, 1974. (d) Coal Act, 1974.	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) Every owner of minerals rights on freehold land of 40 acres or more except bona fide farmers who are exempt. (c) Assessed value of minerals in, on, or under freehold land in a designated production area.	(a) 1. Flat rate per acre for freehold minerals owned by corporations. 2. Assessed value of oil, potash and coal for preceding year. 3. Value of potash ore reserves, mine, plant. (b) 1. Production of potash. 2. (i) Oil produced from Crown lands. (ii) Operator share of oil and road allowance oil produced from Crown lands. 3. (i) Net profit of mining companies (metallic minerals and uranium). (ii) Ton of coal. (c) Operator share of oil and road allowance oil produced from freehold rights. (d) All oil produced.	(a) Assessed value of principal minerals in freehold lands. (b) Value of production on Crown lands. (c) Oil and gas property in designated areas.	(a) 1. Tracts outside designated producing areas. 2. Highly mineralized area with no operating mine; 3. Active production tracts. (b) Units of designated minerals sold, disposal of, or used by a producer. (c) 1. Crude petroleum. 2. Natural gas by-products. 3. Natural gas. (d) 1. Metallurgical coal. 2. Thermal coal.	Value of gold shipped from Yukon.	Annual value of output.	2
15% on net profit of \$100,001 to \$1,000,000; 20% on net profit of \$1,000,001 to \$10,000,000; 25% on net profit of \$10,000,001 to \$20,000,000; 30% on net profit of \$20,000,001 to \$30,000,000; 35% on net profit of \$30,000,001 to \$40,000,000; 40% on net profit over \$40,000,001.	(a) 6% if income is under \$50,000; 23% on entire income if income exceeds \$50,000 (or a lesser amount as determined by the Lieutenant-Governor-in-Council).	(a) 1. (i) 50¢ (minimum tax \$1.00). (ii) Additional tax of 50¢ per acre or fraction thereof on all lands of 500,000 or more acres. 2. Producing tract tax of 8 mills times twice the assessed value. 3. Rate not yet determined.	(a) Rates vary with respect to different classes of mineral rights, mineral rights with respect to different minerals and mineral rights in different areas.	(a) 1. 49,999 acres or less, 25¢ per acre. 50,000 - 99,999 acres, 40¢ per acre. 100,000 - 249,999 acres, 55¢ per acre. 250,000 - 499,999 acres, 70¢ per acre. 500,000 - 999,999 acres, 85¢ per acre. 1,000,000 acres and over \$1.00 per acre. 2. \$2.00 per acre. 3. Assessed value per acre as determined under regulations.	2 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

TABLE 5. Miscellaneous Provincial Taxes - Continued

No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario
1	Mining taxes - Concluded						
	Rate	(b) Not exceeding 10 mills.	—	(b) Coal - 12½¢ 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.	—	—	—
2	Comments	No tax payable when gross income is less than \$5,000.	—	—	—	Net profit up to \$50,000 is exempt.	Net profit up to \$100,000 is exempt.
3	Race track taxes						
	Statutory authority	The Horse Racing (Regulations and Tax) Act; R.S.N. 1963, c. 155 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.	The Race Tracks Tax Act; R.S.O. 1970, c. 397 and amendments.
4	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	(a) Pari mutuel betting pool (b) Amount gained from a winning ticket.
5	Rate	11%	11½%	11%	11% of wagers	7% of ticket evidencing the choice of a single winning horse; 9% on other tickets.	7%
6	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 6½% 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

Manitoba	Saskatchewan	Alberta	British Columbia	Yukon	Northwest Territories	No.
(b) 10¢ per acre or fraction thereof.	(b) 1. Pro-rationing fee of \$1.20 per ton. 2. (i) Regular crude oil royalty of up to 25% based on volume of production and valued at the well-head price. (ii) Royalty surcharge equal to the difference between the "basic" well-head price and the well-head prices. 3. (i) From 5% to 12.5%. (ii) \$5 per ton.	(b) 1. Crude oil: 8.8% to 44.2% on monthly production for developed wells; 6.1% to 30.6% on monthly production for new wells. 2. Synthetic oil: 8.0% of monthly production to 900,000 barrels; 20.0% in excess of 900,000 barrels. 3. Natural gas: varies from 22.0% of natural gas when field price is 26¢ or less per Mcf to 65.0% of the price increment over 72¢ for developed natural gas; for new natural gas, varies from 22.0% at 26¢ or less per Mcf to 35.0% of the price increment over 36¢. These royalty rates also apply to propanes and butanes. 4. Sulphur: 16 2/3 of the value of marketable production. 5. Pentanes plus: in accordance with the formula specified in the regulations.	(b) 2.5% of net value of production plus one-half net smelter value in excess of 120% of basic value determined under regulations; if net smelter returns range between 90% and 80% of the basic value, the basic rate is 2.0%. Where smelter returns are less than 80.0% of the basic value the basic rate is 1.5%.	—	—	1
(c) 1. 8 mills of the assessed value of each well. 2. The monthly incremental tax is calculated as follows: value of well production for month x 1.5 equals the assessed value x mill rate equals tax. The monthly incremental tax is in addition to the basic 8 mill tax which is applied to the same assessed value but on a yearly basis. Monthly mill rate schedules are different for new and developed wells.	(c) Mineral income tax equal to difference between the "basic" well-head price and the well-head price. (d) 1.88% of all oil designated as road allowance oil. Crown share is 1%. Operator share is .88%. Crown share is sold at the well-head price.	(c) Uniform rate of taxation as will be sufficient to defray 50% of the estimated net expenditure to be incurred by the Oil and Gas Conservation Board.	(c) Rates of royalty vary with mineral production. No royalty is payable on production contracted to B.C. Petroleum Corporation. (d) 1. \$1.00 per ton. 2. 50¢ per ton.			
	(a) 1. Acreage tax does not apply to an owner who is an individual. 2. Reduced royalty surcharge on the production of "new oil". Deduction from royalty surcharge of 100% of exploration and development expenditures in Saskatchewan up to 30¢ per barrel. Beyond this, 50% of approved expenditures may be deducted.	(a) At the time of publication, assessment for oil and natural gas was not yet specified. In 1973, the rate for oil was 16 mills. (b) 3.4.5. These royalty rates are applied to the value of production after the processing costs of the Crown's share of natural gas has been deducted.	(b) A reduction by 1.0% is available for provincial refinement other than milling.	Rates established by Order-in-Council.	Exemption for the first \$10,000 of output.	2
The Pari Mutuel Tax Act, 1974.	The Horse Racing Regulations Act; S.S. 1965, c. 384 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.	—	—	3
Pari mutuel betting pool.	Pari mutuel betting pool	Pari mutuel betting pool	Pari mutuel betting pool	—	—	4
10%	10%	5%	8%	—	—	5
10% of the net is kept as contribution by the local government.	—	—	1% of this rate is earmarked to increase the purses of B.C. bred, born and raised horses.	—	—	6

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. 1970, c. 374 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. T80 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.	-	Tobacco Tax Ordinance; 1974 (1st Session) c. 12.	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.	-	By cigarette and retail price of cigars.	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	-	Cigarettes 8/25 of 1¢ each.	3
Cigars from: 1¢ to 7¢ - 1¢ each 8¢ " 10¢ - 2¢ " 11¢ up - 1¢ additional tax 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: 10¢ or less - 1¢ each 11¢ to 20¢ - 2¢ " Over 21¢ - 4¢ " Other tobacco - 2¢ per 1/2 oz. or fraction thereof.	Cigars: 7¢ or less - 1¢ each 8¢ to 15¢ - 2¢ " 16¢ " 22¢ - 3¢ " 23¢ " 32¢ - 5¢ " 33¢ " 42¢ - 7¢ " over 43¢ - 9¢ " Tobacco - 2¢ per 1/2 oz. or fraction thereof.	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¢ per 1/2 oz. or part thereof.	-	Cigars: 7¢ or less - 1¢ each 8¢ to 15¢ - 2¢ " 16¢ " 22¢ - 3¢ " 23¢ " 32¢ - 5¢ " 33¢ " 42¢ - 7¢ " Over 42¢ - 9¢ "	
-	-	-	-	-	-	-	4
The Health Insurance Act; R.S.O. 1972, c. 91.	-	-	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	Monthly premiums	Monthly premiums	-	6
Single \$11.00 Family \$22.00	-	-	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.	-	-	Persons 65 years of age and over and persons with no taxable income 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.	-	-	Hospitalization and medical care contributions are combined.	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.	-	-	-	-	-	-	

TABLE 5. Miscellaneous Provincial Taxes - Concluded

No.		Newfoundland	Prince Edward Island	Nova Scotia	Quebec
	Other taxes				
1	Name of tax	-	-	Tax on long-distance telephone calls	Telecommunications
2	Statutory authority	-	-	Corporations Tax Act; R.S.N.S. 1967, c. 61.	Telecommunications Tax Act; 1965, c. 28.
3	Basis	-	-	Toll charge	Price of telecommunication
4	Rate	-	-	5¢ for each 50¢ toll charge or part thereof.	8%
5	Comments	-	-	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 aerated water to which sugar 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. Tax credit of one third of tax is provided under the provincial Income Tax Act. Two-thirds may be deducted from the federal income tax under the provisions of the federal Income Tax Act.

TABLE 3. 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
—	—	—	—	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	—	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.	—	7
Purchase price	Gross premiums receivable	By passenger mile	Purchase price of accommodation in hotels and motels	By the bottle, flask, or gallon	—	8
For Canadian residents: Up to \$25,000, 3/4 of 1% Over \$25,000, 3/5 of 1% For non-residents 20%	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	—	9
—	—	—	—	—	—	10
Land speculation tax	—	—	Logging tax	—	—	11
The Land Speculation Tax, 1974 (Bill No. 25).	—	—	Logging Tax Act; R.S.B.C. 1960, c. 225 and amendments.	—	—	12
Increase in the value of "designated land" (all real property in Ontario except Canadian resource property). 55%	—	—	Net income	—	—	13
—	—	—	10% where net income exceeds \$10,000.	—	—	14
Principal residence, recreational property transferred to the Crown or municipalities, expropriations, land for industrial or commercial purposes (other than apartment buildings) and farming land upon which agriculture is continued are exempted.	—	—	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; the same rate of tax is also imposed on business. The revenue from these levies is not earmarked for any specific purpose. However the entry of the province into this field of taxation 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 government.

Prince Edward Island has in operation a programme somewhat similar to that of New Brunswick. A tax of 1% is imposed on the "fair market value" of all real property in the province; a further 1% is assessed against the "fair market value" of business property. The implementation of this programme coincided with the assumption by the province, in July 1972, of responsibility for financing primary and secondary education: a

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 (a) 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 (b) most of Quebec outside the Montreal area and the unorganized parts of Ontario where school boards levy their own real property taxes.

The real property tax rate is generally expressed in mills (rate per \$1,000 of the base) or as a rate per \$100 of the base. It is however very difficult to make valid comparisons of rates across Canada. Some of the principal factors affecting rate comparability are:

- (a) widely varying methods of assessment of real property value not only among the provinces but also, to a large extent, among local governments within a province;
- (b) different ways of determining the fair market value or real value of properties among assessment authorities;
- (c) various degrees of development of the municipal system from one province to another;

- (d) uneven delegation of responsibilities to local governments by the government of each province; and
- (e) different forms and magnitude of the financial assistance that municipalities receive from their respective provincial governments.

For these reasons specific rates are not reported in this publication.

Tax Credits or Subsidies in Respect of Real Property Tax

Measures have been adopted by the provincial governments of Nova Scotia, New Brunswick, Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia to alleviate the burden of real property taxation on various categories of ratepayers.

Nova Scotia's scheme to provide relief to property owner's and tenants was introduced in June 1974 and made retroactive to January 1. Under this scheme, property owners are entitled to a 25% reduction on real property taxation up to a maximum of \$200. The province reimburses the municipality for the loss of revenue. Relief is provided to tenants by way of direct grant; the grant being determined by such factors as total annual rent, building assessment, the occupancy tax, etc. The maximum grant that can be obtained is \$200.

New Brunswick's relief to property owners and renters was inaugurated January 1, 1974. Homeowners are now entitled to a property tax credit ranging from \$40 to \$75 depending upon the assessed value of their dwellings. Renters are entitled to a cash rebate of \$30.

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 taxable income. To a basic \$180 (\$90 in 1973) is added either 10% of real property tax paid for the year or 2% of annual rent. From the amount thus established, 2% (1% in 1973) of the claimant's taxable income is subtracted; the difference, if positive, is the amount of the credit that can be claimed. The maximum amount of total credits was raised to \$500 from \$400. This amount is computed by taking into account the two other credits included in the personal tax credit scheme, namely sales tax and pensioner's tax credits. In other words, the property tax credit constitutes one part of the Ontario's personal tax credit scheme. In addition to the benefits available under this scheme, farmers are entitled, under the farm credit reduction plan, to a rebate equal to 50% of their municipal property tax bill.

In Quebec, only farmers are entitled to property tax relief. The provincial government reimburses farmers with an amount equal to 40% of their property tax for school purposes.

The relief provided by Manitoba takes the form of an income tax credit. Entitlement to relief is established by means of a formula that sets the credit of \$200 less 1% of taxable income subject to the provision that the amount of the credit cannot be less than \$100. The

formula applies in respect of owner-occupied dwellings and rented premises where the annual rent is \$1,000 or more. For rented premises where the annual rent is less than \$1,000 the credit is equal to either 20% 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 20 mills (18 mills in 1973) of assessed value up to a maximum assessed value of \$10,000 for a small business and \$15,000 for a farm. The maximum grant payable to the homeowners is the lesser of 1/2 the real property tax paid or \$160 (raised from \$144 in 1973).

In Alberta, the property tax grant was eliminated in 1973. Instead, the province abolished the provincial education tax on all residential property and farmlands. The benefit available to renters under the property tax reduction plan, however, remains in effect. The occupiers of rented residential accommodations under 65 years of age continue to receive an income tax credit 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. Renters 65 years of age and over receive the maximum grant.

Every homeowner in British Columbia is entitled to a \$200 reduction in real property taxation. Homeowners 65 years of age and over are entitled to additional relief of \$50 bringing total property tax relief to \$250. Where real property taxation for the year is less than \$200 for a homeowner of less than 65 years of age or less than \$250 for a homeowner over 65 years of age, relief is provided by way of a grant equal to the amount of the real property tax less \$1. Individuals aged 65 or over who rent their accommodations receive a grant of \$80 (\$50 in 1973). Starting in 1974, renters under 65 years of age are entitled to a grant of \$30.

PART V

HISTORICAL SUMMARIES
OF SELECTED TAXES

TABLE 1. Historical Summary of the Personal Income Taxes levied by the Federal Government, 1964 to 1974

1964	1967
<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: 4% of taxable income (maximum \$120).</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 dependant 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: 18% 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 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>
	1969
	<p>RATES</p> <p>Same as 1968 except for the imposition of a social development tax equal to 2% of taxable income (maximum \$120).</p> <p>EXEMPTIONS AND DEDUCTIONS</p> <p>Same as 1966.</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>
	1971
1965	
<p>RATES</p> <p>Same as 1964.</p> <p>EXEMPTIONS AND DEDUCTIONS</p> <p>Same as 1964.</p> <p>TAX ABATEMENTS, REDUCTIONS AND CREDITS</p> <p>Increase in the provincial income tax abatement to 21% in all provinces other than Quebec, and 44% in Quebec (the additional 23 percentage points in Quebec are in respect of fiscal compensation for opting out of certain federal-provincial shared cost programs).</p> <p>Provision of a tax reduction equal to 5% of "basic" personal income tax (maximum \$300).</p> <p>The credit for dividends from Canadian corporations remains at 20% of the amount of dividends received.</p>	
1966	
<p>RATES</p> <p>Same as 1964.</p> <p>EXEMPTIONS AND DEDUCTIONS</p> <p>Same as 1964, 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>	<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 \$ 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 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: 4% of taxable income (maximum \$240).</p>

TABLE 1. Historical Summary of the Personal Income Taxes levied by the Federal Government, 1964 to 1974 - Concluded

1971	1972																																																																																																																																																						
<p>RATES - Concluded</p> <p>The social development tax is reduced to 2% of taxable income in excess of \$1,000 (maximum \$400).</p> <p>The surtax on basic personal income tax in excess of \$200 is reduced to 1%.</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 1% of "basic" personal income tax (effectively 3% of "basic" personal income starting from July 1, 1971).</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>																																																																																																																																																						
1972	1973																																																																																																																																																						
<p>CHANGES IN THE CONCEPT OF INCOME</p> <p>Under the 1972 Act, income is broadened to include half of capital gains; half of capital losses are deductible from capital gains brought into income or from other income if they do not exceed \$1,000. Income is also broadened to include unemployment insurance benefits and other receipts hitherto excluded from its ambit.</p> <p>RATES</p> <p>17% on the first \$500 of taxable income</p> <table><tr><td>\$</td><td>85 on \$</td><td>500 plus 18% on next \$</td><td>500</td></tr><tr><td>175 "</td><td>1,000 "</td><td>19% "</td><td>1,000</td></tr><tr><td>265 "</td><td>2,000 "</td><td>20% "</td><td>1,000</td></tr><tr><td>365 "</td><td>3,000 "</td><td>21% "</td><td>2,000</td></tr><tr><td>465 "</td><td>5,000 "</td><td>23% "</td><td>2,000</td></tr><tr><td>1,415 "</td><td>7,000 "</td><td>25% "</td><td>2,000</td></tr><tr><td>1,915 "</td><td>9,000 "</td><td>27% "</td><td>2,000</td></tr><tr><td>2,485 "</td><td>11,000 "</td><td>31% "</td><td>3,000</td></tr><tr><td>3,415 "</td><td>14,000 "</td><td>35% "</td><td>10,000</td></tr><tr><td>6,915 "</td><td>24,000 "</td><td>39% "</td><td>15,000</td></tr><tr><td>12,765 "</td><td>39,000 "</td><td>43% "</td><td>21,000</td></tr><tr><td>21,795 "</td><td>60,000 "</td><td>47% "</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> <p>EXEMPTIONS AND DEDUCTIONS</p> <table><tr><td>Single</td><td>\$1,500</td></tr><tr><td>Married</td><td>2,850</td></tr><tr><td>Dependents:</td><td></td></tr><tr><td> Child under 16</td><td>300</td></tr><tr><td> Other dependant</td><td>550</td></tr><tr><td>Student in full-time attendance at a post-secondary educational institution</td><td>\$50 per month of attendance</td></tr><tr><td>Old age (taxpayers 65 years of age and over)</td><td>1,000</td></tr><tr><td>Taxpayer who is blind or confined to a wheelchair</td><td>1,000</td></tr><tr><td>Charitable donations, medical expenses and union dues:</td><td></td></tr><tr><td> Charitable donations:</td><td></td></tr><tr><td> Up to 20% of income.</td><td></td></tr><tr><td> Medical expenses:</td><td></td></tr><tr><td> Over 3% of income.</td><td></td></tr><tr><td> or</td><td></td></tr><tr><td> Standard deduction of \$100 (in lieu of claiming deductions for charitable donations and medical expenses).</td><td></td></tr><tr><td>Union or professional dues:</td><td></td></tr><tr><td> No restriction.</td><td></td></tr><tr><td>Child care expenses:</td><td></td></tr><tr><td> \$500 for each child under 14 years of age (maximum \$2,000 per family)</td><td></td></tr><tr><td>Employment expenses:</td><td></td></tr><tr><td> Up to 3% of employment income (maximum \$150).</td><td></td></tr><tr><td>Moving expenses:</td><td></td></tr><tr><td> Removal expenses incurred by a taxpayer who changes job.</td><td></td></tr></table>	\$	85 on \$	500 plus 18% on next \$	500	175 "	1,000 "	19% "	1,000	265 "	2,000 "	20% "	1,000	365 "	3,000 "	21% "	2,000	465 "	5,000 "	23% "	2,000	1,415 "	7,000 "	25% "	2,000	1,915 "	9,000 "	27% "	2,000	2,485 "	11,000 "	31% "	3,000	3,415 "	14,000 "	35% "	10,000	6,915 "	24,000 "	39% "	15,000	12,765 "	39,000 "	43% "	21,000	21,795 "	60,000 "	47% "	excess	Single	\$1,500	Married	2,850	Dependents:		Child under 16	300	Other dependant	550	Student in full-time attendance at a post-secondary educational institution	\$50 per month of attendance	Old age (taxpayers 65 years of age and over)	1,000	Taxpayer who is blind or confined to a wheelchair	1,000	Charitable donations, medical expenses and union dues:		Charitable donations:		Up to 20% of income.		Medical expenses:		Over 3% of income.		or		Standard deduction of \$100 (in lieu of claiming deductions for charitable donations and medical expenses).		Union or professional dues:		No restriction.		Child care expenses:		\$500 for each child under 14 years of age (maximum \$2,000 per family)		Employment expenses:		Up to 3% of employment income (maximum \$150).		Moving expenses:		Removal expenses incurred by a taxpayer who changes job.		<p>RATES</p> <p>15% on the first \$500 of taxable income</p> <table><tr><td>\$</td><td>75 on \$</td><td>500 plus 18% on next \$</td><td>500</td></tr><tr><td>165 "</td><td>1,000 "</td><td>19% "</td><td>1,000</td></tr><tr><td>355 "</td><td>2,000 "</td><td>20% "</td><td>1,000</td></tr><tr><td>555 "</td><td>3,000 "</td><td>21% "</td><td>2,000</td></tr><tr><td>975 "</td><td>5,000 "</td><td>23% "</td><td>2,000</td></tr><tr><td>1,435 "</td><td>7,000 "</td><td>25% "</td><td>2,000</td></tr><tr><td>1,935 "</td><td>9,000 "</td><td>27% "</td><td>2,000</td></tr><tr><td>2,475 "</td><td>11,000 "</td><td>31% "</td><td>3,000</td></tr><tr><td>3,405 "</td><td>14,000 "</td><td>35% "</td><td>10,000</td></tr><tr><td>6,905 "</td><td>24,000 "</td><td>39% "</td><td>15,000</td></tr><tr><td>12,755 "</td><td>39,000 "</td><td>43% "</td><td>21,000</td></tr><tr><td>21,785 "</td><td>60,000 "</td><td>47% "</td><td>excess</td></tr></table> <p>EXEMPTIONS AND DEDUCTIONS</p> <table><tr><td>Single</td><td>\$1,600</td></tr><tr><td>Married</td><td>3,000</td></tr><tr><td>Other exemptions and deductions:</td><td></td></tr><tr><td> Same as 1972.</td><td></td></tr></table> <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>	\$	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	Single	\$1,600	Married	3,000	Other exemptions and deductions:		Same as 1972.	
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TABLE II. Historical Summary of the Personal Income Taxes levied by the Province of Quebec, 1964 to 1974

1964					1966				
RATES					RATES				
2.5% on first \$1,000 of taxable income					5.2% on first \$1,000 of taxable income				
\$ 25 on \$ 1,000 plus	2.8%	on next \$ 1,000			\$ 52 on \$ 1,000 plus	6.6%	on next \$ 1,000		
53 " 2,000 "	3.2%	" "	2,000		118 " 2,000 "	8.0%	" "	1,000	
117 " 4,000 "	3.6%	" "	2,000		198 " 3,000 "	8.9%	" "	1,000	
189 " 6,000 "	4.7%	" "	2,000		287 " 4,000 "	10.3%	" "	2,000	
283 " 8,000 "	5.4%	" "	2,000		493 " 6,000 "	12.2%	" "	2,000	
391 " 10,000 "	6.3%	" "	2,000		737 " 8,000 "	14.1%	" "	2,000	
517 " 12,000 "	7.2%	" "	3,000		1,019 " 10,000 "	16.5%	" "	2,000	
733 " 15,000 "	8.1%	" "	10,000		1,349 " 12,000 "	18.8%	" "	3,000	
1,543 " 25,000 "	9.0%	" "	15,000		1,913 " 15,000 "	21.2%	" "	10,000	
2,893 " 40,000 "	9.9%	" "	20,000		4,033 " 25,000 "	23.5%	" "	15,000	
4,873 " 60,000 "	10.8%	" "	30,000		7,558 " 40,000 "	25.9%	" "	20,000	
8,113 " 90,000 "	11.7%	" "	35,000		12,738 " 60,000 "	28.2%	" "	30,000	
12,208 " 125,000 "	12.6%	" "	100,000		21,198 " 90,000 "	30.6%	" "	35,000	
24,808 " 225,000 "	13.5%	" "	175,000		31,908 " 125,000 "	32.9%	" "	100,000	
48,433 " 400,000 "	14.4%	" "	remainder		64,808 " 225,000 "	35.3%	" "	175,000	
					126,583 " 400,000 "	37.6%	" "	remainder	
Tax on investment income: ½ of 1% of such income in excess of the greater of \$2,400 or the total of personal exemptions.					Tax on investment income: ½ of 1% of the taxpayer's income from investment outside Canada, after deduction of \$2,400 or the total of his personal exemptions whichever is greater, plus allowable charitable donations and medical expenses.				
EXEMPTIONS AND DEDUCTIONS					EXEMPTIONS AND DEDUCTIONS				
Single \$1,000					Same as 1964.				
Married 2,000					TAX CREDIT				
Dependants:					Same as 1965.				
Child under 16 300									
Other dependant 550									
Old age (taxpayer 65 years of age or over) 500									
Other deductions: Similar to federal income tax deductions in Table I.									
TAX CREDIT									
Credit for dividends received from Canadian corporations equal to 15% of the federal credit.									
1965					1967				
RATES					RATES				
4.8% on first \$1,000 of taxable income					5.5% on first \$1,000 of taxable income				
\$ 48 on \$ 1,000 plus	6.2%	on next \$ 1,000			\$ 55 on \$ 1,000 plus	7.0%	on next \$ 1,000		
110 " 2,000 "	7.5%	" "	1,000		125 " 2,000 "	8.5%	" "	1,000	
185 " 3,000 "	8.4%	" "	1,000		210 " 3,000 "	9.5%	" "	1,000	
269 " 4,000 "	9.7%	" "	2,000		305 " 4,000 "	11.0%	" "	2,000	
463 " 6,000 "	11.4%	" "	2,000		525 " 6,000 "	13.5%	" "	2,000	
691 " 8,000 "	13.2%	" "	2,000		785 " 8,000 "	15.0%	" "	2,000	
955 " 10,000 "	15.4%	" "	2,000		1,085 " 10,000 "	17.5%	" "	2,000	
1,263 " 12,000 "	17.6%	" "	3,000		1,435 " 12,000 "	20.0%	" "	3,000	
1,791 " 15,000 "	19.8%	" "	10,000		2,035 " 15,000 "	22.5%	" "	10,000	
3,771 " 25,000 "	22.0%	" "	15,000		4,285 " 25,000 "	25.0%	" "	15,000	
7,071 " 40,000 "	24.2%	" "	20,000		8,035 " 40,000 "	27.5%	" "	20,000	
11,911 " 60,000 "	26.4%	" "	30,000		13,535 " 60,000 "	30.0%	" "	30,000	
19,831 " 90,000 "	28.6%	" "	35,000		22,535 " 90,000 "	32.5%	" "	35,000	
29,841 " 125,000 "	30.8%	" "	100,000		33,910 " 125,000 "	35.0%	" "	100,000	
60,641 " 225,000 "	33.0%	" "	175,000		68,910 " 225,000 "	37.5%	" "	175,000	
118,391 " 400,000 "	35.2%	" "	remainder		134,535 " 400,000 "	40.0%	" "	remainder	
Tax on investment income: Same as 1964.					Tax on investment income: Rate increased to 2%; same base as 1966.				
EXEMPTIONS AND DEDUCTIONS					EXEMPTIONS AND DEDUCTIONS				
Same as 1964.					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).				
TAX CREDIT					Low income: No tax is payable if income does not exceed \$2,000 if single or \$4,000 if married.				
The credit for dividends from Canadian corporations is increased to 45% of the corresponding federal credit.					Other exemptions and deductions: Same as 1964.				
					TAX CREDIT				
					The credit for dividends from Canadian corporations is increased to 30% of the corresponding federal credit.				
1968					1968				
RATES					RATES				
Same as 1967 except for the imposition of a 8% surtax on the provincial personal income tax.					Same as 1967 except for the imposition of a 8% surtax on the provincial personal income tax.				
EXEMPTIONS AND DEDUCTIONS					EXEMPTIONS AND DEDUCTIONS				
Same as at July 1, 1967.					Same as at July 1, 1967.				
TAX CREDIT					TAX CREDIT				
The credit for dividends from Canadian corporations is increased to 45% of the corresponding federal credit.					Same as 1967.				

TABLE II. Historical Summary of the Personal Income Taxes levied by the Province of Quebec, 1964 to 1974 - Concluded

1969	1972																				
<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>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>																				
1970	1973																				
<p>RATES</p> <p>Same as 1969 except for the imposition of a health insurance tax, at the rate of 4/19 of 1% of net income (maximum: \$125 if at least 3/4 of net income is salary, or \$200 otherwise), effective November 1, 1970.</p> <p>EXEMPTIONS AND DEDUCTIONS</p> <p>Same as 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>																				
1971	1974																				
<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>Old age (taxpayer 65 years of age or over) \$1,000</p> <p>Low income: No tax is payable if income does not exceed \$2,600 if single or \$5,200 if married.</p> <p>Single and married taxpayers whose income is between \$2,600 and \$2,850 and \$5,200 and \$5,785 respectively, are to pay taxes no higher than 50% of the difference between their net income and the amount of their exemptions.</p> <p>All other exemptions remain unchanged from 1972.</p> <p>TAX CREDIT</p> <p>Same as 1972.</p>																				
1972																					
<p>CHANGES IN THE CONCEPT OF INCOME</p> <p>Income is broadened to include half of capital gains; half of capital losses are deductible from capital gains brought into income. Income is also broadened to include unemployment insurance benefits.</p> <p>RATES</p> <p>10% on first \$2,000 of taxable income</p> <table> <tr> <td>\$ 400 on \$ 2,000 plus 11% on next \$ 1,000</td><td></td></tr> <tr> <td>310 " 3,000 " 12% " " 2,000</td><td></td></tr> <tr> <td>560 " 5,000 " 14% " " 2,000</td><td></td></tr> <tr> <td>830 " 7,000 " 16% " " 2,000</td><td></td></tr> <tr> <td>1,150 " 9,000 " 18% " " 2,000</td><td></td></tr> <tr> <td>1,510 " 11,000 " 20% " " 3,000</td><td></td></tr> <tr> <td>2,110 " 14,000 " 22% " " 10,000</td><td></td></tr> <tr> <td>4,310 " 24,000 " 24% " " 15,000</td><td></td></tr> <tr> <td>7,910 " 39,000 " 26% " " 21,000</td><td></td></tr> <tr> <td>13,370 " 60,000 " 28% " remainder</td><td></td></tr> </table> <p>Health insurance tax: 8/10 of 1% of net income (maximum: \$125 if at least 3/4 of net income is salary, or \$200 otherwise).</p> <p>The tax on investment income and the 6% surtax are cancelled.</p>	\$ 400 on \$ 2,000 plus 11% on next \$ 1,000		310 " 3,000 " 12% " " 2,000		560 " 5,000 " 14% " " 2,000		830 " 7,000 " 16% " " 2,000		1,150 " 9,000 " 18% " " 2,000		1,510 " 11,000 " 20% " " 3,000		2,110 " 14,000 " 22% " " 10,000		4,310 " 24,000 " 24% " " 15,000		7,910 " 39,000 " 26% " " 21,000		13,370 " 60,000 " 28% " remainder		
\$ 400 on \$ 2,000 plus 11% on next \$ 1,000																					
310 " 3,000 " 12% " " 2,000																					
560 " 5,000 " 14% " " 2,000																					
830 " 7,000 " 16% " " 2,000																					
1,150 " 9,000 " 18% " " 2,000																					
1,510 " 11,000 " 20% " " 3,000																					
2,110 " 14,000 " 22% " " 10,000																					
4,310 " 24,000 " 24% " " 15,000																					
7,910 " 39,000 " 26% " " 21,000																					
13,370 " 60,000 " 28% " remainder																					

TABLE III. Historical Summary of the Personal Income Taxes levied by the Provinces Other than Quebec, 1964 to 1974

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, 1973 and 1974 they are expressed as a percentage of the revised "basic" federal personal income tax.

No.	Province	1964	1965	1966	1967	1968
1	Newfoundland.....	18	21	24	28	Same as 1967
2	Prince Edward Island.....	18	21	24	28	Same as 1967
3	Nova Scotia.....	18	21	24	28	Same as 1967
4	New Brunswick.....	18	21	24	28	Same as 1967
5	Ontario.....	18	21	24	28	Same as 1967
6	Manitoba.....	24	26	29	33	Same as 1967
7	Saskatchewan.....	24	27	29	33	Same as 1967
8	Alberta.....	18	21	24	28	Same as 1967
9	British Columbia.....	18	21	24	28	Same as 1967

¹ Effective July 1, 1971.

² Effective July 1, 1969.

TABLE IV. Historical Summary of the Corporation Income Taxes levied by the Federal and Provincial Governments, 1964 to 1974

No.	Government	1964	1965	1966	1967	1968
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 1964	Same as 1964	Same as 1964	Same as 1964 except for imposition of 3% surtax on tax other than old age security tax.

See footnote(s) at end of table.

TABLE III. Historical Summary of the Personal Income Taxes levied by the Provinces Other than Quebec, 1964 to 1974

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, 1973 and 1974 they are expressed as a percentage of the revised "basic" federal personal income tax.

1969	1970	1971	1972	1973	1974	No.
33	Same as 1969	Same as 1969	36.0	Same as 1972	40.0 ^a	1
Same as 1967	Same as 1967	33 ¹	36.0	Same as 1972	Same as 1972	2
Same as 1967	Same as 1967	Same as 1967	38.5	Same as 1972	Same as 1972	3
38 ²	Same as April 1, 1969	Same as April 1, 1969	41.5	Same as 1972	Same as 1972	4
Same as 1967	Same as 1967	27.5	29.585	30.5	Same as 1973	5
Same as 1967	39	Same as 1970	42.5	Same as 1972	Same as 1972	6
Same as 1967	34	Same as 1970	37.0	40.0	Same as 1973	7
33 ³	Same as July 1, 1969	Same as July 1, 1969	36.0	Same as 1972	Same as 1972	8
Same as 1967	Same as 1967	Same as 1967	30.5	Same as 1972	Same as 1972	9

^a Effective July 1, 1969.

¹ Effective July 1, 1974.

TABLE IV. Historical Summary of the Corporation Income Taxes levied by the Federal and Provincial Governments, 1964 to 1974

1969	1970	1971	1972	1973	1974	No.
Same as 1968	Same as 1968	Same as 1968 until July 1, Effective July 1, repeal of 3% surtax and reduction of 7% of tax otherwise payable valid till December 1972.	<p>Public corporations:</p> <p>(a) Business income: 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>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>	<p>Public corporations:</p> <p>(a) Business income:</p> <p>(i) 40% of taxable income from manufacturing and processing activities.</p> <p>(ii) 48% 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: 48%.</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 48% on taxable income in excess of \$50,000 generated by the other business activities of Canadian-controlled corporations; 48% on taxable income generated by 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: 48% 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, 1964 to 1974 - Concluded

No.	Government	1964	1965	1966	1967	1968
2	Newfoundland	9% on same base as federal income tax	Same as 1964	Same as 1964	11%	12%
3	Prince Edward Island	9% on same base as federal income tax	Same as 1964	Same as 1964	10%	Same as 1967
4	Nova Scotia	9% on same base as federal income tax	Same as 1964	Same as 1964	10%	Same as 1967
5	New Brunswick	9% on same base as federal income tax	Same as 1964	Same as 1964	10%	Same as 1967
6	Quebec	12% on base very similar to federal income tax	Same as 1964	Same as 1964	Same as 1964	Same as 1964
7	Ontario	11% on base very similar to federal income tax	Same as 1964	Same as 1964	Same as 1964	12%
8	Manitoba	10% on same base as federal income tax	Same as 1964	Same as 1964	11%	Same as 1967
9	Saskatchewan	10% on same base as federal income tax	Same as 1964	Same as 1964	11%	Same as 1967
10	Alberta	9% on same base as federal income tax	Same as 1964	Same as 1964	10%	Same as 1967
11	British Columbia	9% on same base as federal income tax	Same as 1964	Same as 1964	10%	Same as 1967

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 The 7% reduction of tax otherwise payable was still valid, thus bringing the effective rate at 46.5% and 23.25%.

TABLE V. Historical Summary of the General Sales Taxes levied by the Federal and Provincial Governments, 1964 to 1974

No.		1964	1965	1966	1967	1968
	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 1964	Same as 1964	9%	Same as 1967
2	(b) Old age security tax	3%			3%	
3	(c) Combined rate (a + b)	11%			12%	
	(d) Special rates:					
4	(i) Most building materials	4% to March 31, 8% effective April 1	2	2	11% effective January 1	Same as 1967
5	(ii) Production machinery	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	1
6	(iii) Dies, jigs, fixtures and moulds and patterns therefor and tooling for production machinery	4% to March 31, 8% effective April 1	2	Exempt effective March 30	1	2

See footnote(s) at end of table.

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**TABLE IV. Historical Summary of the Corporation Income Taxes levied by the Federal and Provincial Governments,
1964 to 1974 - Concluded**

1969	1970	1971	1972	1973	1974	No.
13%	Same as 1969	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 1964	Same as 1964	Same as 1964 ³	Same as 1964	Same as 1964	Same as 1964	6
Same as 1968	Same as 1968	Same as 1968 ⁴	Same as 1968	Same as 1968	Same as 1968 ⁵	7
Same as 1967	13%	Same as 1970	Same as 1970	Same as 1970	Same as 1970	8
Same as 1967	Same as 1967	Same as 1967	Same as 1967	12%	Same as 1973	9
11%	Same as 1969	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	12%	Same as 1973	11

³ 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 30% to 100% of the amounts invested.

⁴ Credit granted against corporations income tax, equal to 5% of eligible investment in machinery and equipment purchased and used in Ontario during the period April 26, 1971, and March 31, 1973. Deduction from income of the interest paid on money borrowed to purchase shares in other corporations during corporation fiscal years ended after April 26, 1971.

⁵ Credit granted to privately controlled Canadian corporations which qualify for the federal small business deduction equal to 5% of the annual increase in paid-up capital or 30% of taxable income up to a maximum of \$3,000 whichever is the lesser effective April 9.

TABLE V. Historical Summary of the General Sales Taxes levied by the Federal and Provincial Governments, 1964 to 1974

1969	1970	1971	1972	1973	1974	No.
Same as 1967	Same as 1967	Same as 1967	12% - Effective 12% January 1	Same as 1972	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
						6
1	1	1	1	1	1	

TABLE V. Historical Summary of the General Sales Taxes levied by the Federal and Provincial Governments, 1964 to 1974 - Concluded

No.		1964	1965	1966	1967	1968	1969
	2. Provincial sales taxes (imposed on retail price):						
7	(1) Newfoundland	5%	Same as 1964	Same as 1964	6% (effective April 1)	7% (effective April 1)	Same as April 1, 1968
8	(2) Prince Edward Island	5%	Same as April 23, 1964	Same as April 23, 1964	Same as April 23, 1964	Same as April 23, 1964	7% (effective April 15)
9	(3) Nova Scotia	5%	Same as 1964	Same as 1964	Same as 1964	Same as 1964	7% (effective April 4)
10	(4) New Brunswick	3%	Same as 1964	Same as 1964	6% (effective January 1)	Same as January 1, 1967	8% (effective April 1)
11	(5) Quebec	6% April 1	Same as April 1, 1964	Same as April 1, 1964	8% (effective March 17)	Same as March 17, 1967	Same as March 17, 1967
	(6) Ontario:						
12	(a) General	3%	Same as 1964	5% (effective April 1)	Same as April 1, 1966	Same as April 1, 1966	Same as April 1, 1966
13	(b) Meals and alcoholic beverages	3%	Same as 1964	5% (effective April 1)	Same as April 1, 1966	Same as April 1, 1966	10% (effective April 1)
	(7) Manitoba:						
14	(a) General				5% (effective June 1)	Same as June 1, 1967	Same as June 1, 1967
15	(b) Spirits, wines and imported beer				5% (effective June 1)	Same as June 1, 1967	Same as June 1, 1967
16	(8) Saskatchewan	5%	4% (effective February 20) ¹	Same as February 20, 1965	Same as February 20, 1965	5% (effective March 2)	Same as March 2, 1968
17	(9) British Columbia	5%	Same as 1964	Same as 1964	Same as 1964	Same as 1964	Same as 1964
	CHANGES IN EXEMPTIONS (Unless otherwise specified, the following are new exemptions).	—	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 20).	Saskatchewan: Former exemption for all meals restricted to meals under \$2.00.	Ontario: Meals under \$2.51. Repeal of exemption for industrial machinery.
19	TAX ON SERVICES	—	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.	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.

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, 1964 to 1974 — Concluded

1970	1971	1972	1973	1974	No.
Same as April 1, 1968	Same as April 1, 1968	Same as April 1, 1968	Same as April 1, 1968	8% (effective April 10)	7
Same as April 15, 1969	8% (effective March 19)	Same as March 19, 1971	Same as March 19, 1971	Same as March 19, 1971	8
Same as April 4, 1969	Same as April 4, 1969	Same as April 4, 1969	Same as April 4, 1969	Same as April 4, 1969	9
Same as April 1, 1969	Same as April 1, 1969	Same as April 1, 1969	Same as April 1, 1969	Same as April 1, 1969	10
Same as March 17, 1967	Same as March 17, 1967	Same as March 17, 1967	Same as March 17, 1967	Same as March 17, 1967	11
Same as April 1, 1966	Same as April 1, 1966	Same as April 1, 1966	7% (effective May 1)	Same as May 1, 1973	12
Same as April 1, 1969	Same as April 1, 1969	Same as April 1, 1969	Same as April 1, 1969	Same as April 1, 1969	13
Same as June 1, 1967	Same as June 1, 1967	Same as June 1, 1967	Same as June 1, 1967	Same as June 1, 1967	14
Same as June 1, 1967	Same as June 1, 1967	10% (effective June 1)	Same as June 1, 1972	Same as June 1, 1972	15
Same as March 2, 1968	Same as March 2, 1968	Same as March 2, 1968	Same as March 2, 1968	Same as March 2, 1968	16
Same as 1964	Same as 1964	Same as 1964	Same as 1964	Same as 1964	17
Saskatchewan: Electricity used for heating. Repeal of exemp- tion for meals under \$2.00. Repeal of exemp- tion for railway rolling stock, ties and steel rails.	Prince Edward Island: Railway rolling stock; commer- cial vessels. New Brunswick: Building mate- rials.	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; chil- dren'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 reserva- tions 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.	Federal Sales Tax: Clothing and footwear. Newfoundland: Domestic fuel and heating oil. Prince Edward Island: Goods and materials used in making clothing; soap and cleaning supplies, and articles traded in against purchases. Small sale exemption raised from 11¢ to 16¢. Prepared meals of less than \$2.01 exempted. Refund of sales tax to newlyweds for up to \$1000 purchases of furniture and other household supplies within the first year of marriage. Books and other printed material of informa- tional or literary value. New Brunswick: Clothing and footwear, microfilm purchases by libraries (containing information equiva- lent to a book ordinarily exempted), and purchases made by Status Indians off the reservation for delivery on the reservation. Prepared meals of less than \$2.01 exempted. Ontario: Personal hygiene items, e.g., toothpaste, baby powder soap, detergents etc., and footwear of \$30 or less. Manitoba: Exemption for prepared meals raised to \$2.99 from \$1.99. Purchases (except motor cars) made by Status Indians. British Columbia: Books and second-hand clothing.	18
—	British Columbia: Hotel and motel accommodations.	Nova Scotia: Hotel and motel accommodations.	—	—	19

* 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, 1964 to 1974

No.	Province	1964	1965	1966	1967	1968
Newfoundland:						
1	Motive fuel	19¢ per gallon	Same as 1964	Same as 1964	20¢ per gallon (effective April 1)	25¢ per gallon (effective April 1)
2	Cigarettes	1/4 of 1¢ each	Same as July 1, 1964	Same as July 1, 1964	Same as July 1, 1964	1/2 of 1¢ each 2¢ to 10¢ each 2¢ per 1/2 oz. unit (effective April 1)
3	Cigars	1¢ to 5¢ each				
4	Tobacco	1¢ per 1/2oz.unit (effective July 1)				
Prince Edward Island:						
5	Gasoline	18¢ per gallon	Same as April 23, 1964	Same as April 23, 1964	Same as April 23, 1964	21¢ per gallon (effective March 20)
6	Diesel fuel	18¢ per gallon	Same as April 23, 1964	Same as April 23, 1964	Same as April 23, 1964	21¢ per gallon (effective March 20)
7	Cigarettes	1/5 of 1¢ each	Same as 1964	Same as 1964	Same as 1964	2/5 of 1¢ each 20% 20% (effective March 20)
8	Cigars	1¢ to 3¢ each				
9	Other tobacco	10%				
Nova Scotia:						
10	Gasoline	19¢ per gallon	Same as 1964	Same as 1964	Same as 1964	Same as 1964
11	Diesel fuel	27¢ per gallon	Same as 1964	Same as 1964	Same as 1964	Same as 1964
12	Aviation fuel	Nil	Nil	Nil	Nil	Nil
13	Cigarettes	1/10 of 1¢ each	Same as 1964	Same as 1964	Same as 1964	Same as 1964
14	Other tobacco products	5%				
New Brunswick:						
15	Gasoline	18¢ per gallon	Same as 1964	Same as 1964	Same as 1964	19¢ per gallon (effective April 1)
16	Diesel fuel	23¢ per gallon	Same as 1964	Same as 1964	Same as 1964	Same as 1964
17	Aviation fuel	Nil	Nil	Nil	Nil	Nil
18	Cigarettes	1/5 of 1¢ each	Same as 1964	Same as 1964	Same as 1964	Same as 1964
19	Cigars	1¢ to 3¢ each				
20	Other tobacco products	10%				
Quebec:						
21	Gasoline	15¢ per gallon	16¢ per gallon	Same as April 8, 1965	Same as April 8, 1965	19¢ per gallon 25¢ per gallon
22	Diesel fuel	21¢ per gallon	22¢ per gallon (effective April 8)			
23	Aviation fuel	Nil	Nil			
24	Cigarettes	1/5 of 1¢ each	6/25 of 1¢ each	Same as April 8, 1965	Same as April 8, 1965	3¢ per gallon (effective March 28) 2/5 of 1¢ each 20% (when over 10¢) 20% (effective March 28)
25	Cigars	10% (when over 5¢)	12% (when over 5¢)			
26	Manufactured tobacco	10%	12% (effective April 8)			
Ontario:						
27	Motive fuel	15¢ per gallon	Same as February 13, 1964	16¢ per gallon 22¢ per gallon (effective April 1)	Same as April 1, 1966	18¢ per gallon 24¢ per gallon
28	Diesel fuel	2 1/2¢ per gallon (effective February 13)				
29	Aviation fuel	Nil	Nil	Nil	Nil	3¢ per gallon (effective March 13)
30	Cigarettes	Nil	Nil	1/20 of 1¢ each to April 1; 1/10 of 1¢ from April 1	Same as April 1, 1966	3/10 of 1¢ each
31	Cigars	Nil	Nil			
32	Tobacco	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, 1964 to 1974

1969	1970	1971	1972	1973	1974	No.
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	Same as April 1, 1968	1
Same as April 1, 1968	Same as April 1, 1968	Same as April 1, 1968	1¢ each 4¢ to 20¢ each 4¢ per ½ oz. unit (effective June 1)	Same as June 1, 1972	Same as June 1, 1972	2 3 4
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	Same as March 20, 1968	5
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	Same as April 19, 1972	6
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	Same as March 20, 1968	7 8 9
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	Same as April 4, 1968	10
Same as 1964	Same as 1964	Same as 1964	Same as 1964	Same as 1964	Same as 1964	11
Nil	Nil	3¢ per gallon (effective August 1)	Same as August 1, 1971	Same as August 1, 1971	Same as August 1, 1971	12
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	Same as April 4, 1969	13 14
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	Same as April 1, 1969	15
Same as 1964	Same as 1964	Same as 1964	Same as 1964	Same as 1964	Same as 1964	16
Nil	Nil	3¢ per gallon (effective May 15)	Same as May 15, 1971	Same as May 15, 1971	Same as May 15, 1971	17
2/3 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	Same as April 1, 1969	18 19 20
						21
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	Same as March 28, 1968	22
						23
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	Same as March 28, 1968	24 25 26
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	Same as March 29, 1972	27 28
			3¢ per gallon	Same as March 13, 1968	Same as March 13, 1968	29
2/5 of 1¢ each			0.46 of 1¢ each			30
1/2 of 1¢ per 5¢ 2½¢ per oz. (effective March 5)	Same as March 5, 1969	Same as March 5, 1969	1¢ per 5¢ 2½¢ per ½ oz. (effective March 29)	Same as March 29, 1972	Same as March 29, 1972	31 32

TABLE VI. Historical Summary of the Taxes on Motive Fuels and Tobacco Products levied by the Provincial Governments, 1964 to 1974 - Concluded

No.	Province	1964	1965	1966	1967	1968
Manitoba:						
1	Gasoline	17¢ per gallon	Same as October 19, 1964	Same as October 19, 1964	Same as October 19, 1964	Same as October 19, 1964
2	Motive fuel	20¢ per gallon				
3	Aviation fuel	2¢ per gallon (effective October 19)				
4	Cigarettes	2/5 of 1¢ each	Same as October 19, 1964	Same as October 19, 1964	Same as October 19, 1964	Same as October 19, 1964
5	Cigars	1¢ to 10¢ each				
6	Manufactured tobacco	2¢ per ½ oz. (effective October 19)				
Saskatchewan:						
7	Gasoline	14¢ per gallon	Same as 1964	15¢ per gallon 18¢ per gallon (effective March 15)	Same as March 15, 1966	17¢ per gallon 20¢ per gallon (effective March 1)
8	Diesel fuel	17¢ per gallon				
9	Aviation fuel	Nil	Nil	Nil	Nil	2¢ per gallon (effective April 2)
10	Cigarettes	Nil	1/5 of 1¢ each	Same as April 1, 1965	1/5 of 1¢ each 1¢ to 5¢ each 1¢ per ½ oz.	8/25 of 1¢ and 9/25 of 1¢ each 1¢ to 10¢ each 2¢ per ½ oz. (effective March 1)
11	Cigars	Nil	1¢ to 5¢ each			
12	Manufactured tobacco	Nil	1¢ per oz. (effective April 1)			
Alberta:						
13	Gasoline	12¢ per gallon	Same as 1964	Same as 1964	Same as 1964	15¢ per gallon 17¢ per gallon 3¢ per gallon (effective June 1)
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 1964	Same as 1964	Same as 1964	Same as 1964
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	Gasoline	9¢ per gallon	Same as 1964	Same as 1964	Same as 1964	11¢ per gallon (effective January 23)
26	Diesel fuel	9¢ per gallon				
27	Aviation fuel	Nil	Nil	Nil	Nil	Nil
Northwest Territories:						
28	Cigarettes	Nil	Nil	Nil	Nil	Nil
29	Cigars	Nil	Nil	Nil	Nil	Nil
30	Gasoline	6¢ per gallon	7½¢ per gallon	9¢ per gallon	10¢ per gallon	11¢ per gallon (effective April 1)
31	Diesel fuel	3¢ per gallon (effective April 1)	3½¢ per gallon (effective April 1)	4¢ per gallon (effective April 1)	6¢ per gallon (effective April 1)	8¢ per gallon (effective April 1)
32	Aviation fuel	1½¢ per gallon	Same as 1964	Same as 1964	Same as 1964	Same as 1964

TABLE VI. Historical Summary of the Taxes on Motive Fuels and Tobacco Products levied by the Provincial Governments, 1964 to 1974 - Concluded

1969	1970	1971	1972	1973	1974	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	15¢ 18¢ Same as October 19, 1964	1 2 3
Same as October 19, 1964	Same as October 19, 1964	Same as October 19, 1964	3/5 of 1¢ each 1¢ to 15¢ each 3¢ per ½ oz. (effective May 1)	Same as May 1, 1972	Same as May 1, 1972	4 5 6
Same as March 1, 1968	19¢ per gallon 21¢ per gallon	Same as March 3, 1970	Same as March 3, 1970	Same as March 3, 1970	12¢ per gallon 16¢ per gallon	7 8
Same as April 2, 1968	4¢ per gallon (effective March 3)				Same as March 3, 1970	9
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, February 9, 1973 1 to 4¢ each (effective February 9)	Same February 9, 1973	10 11
				Same as March 1, 1968	Same as March 1, 1968	12
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	10¢ per gallon 12¢ per gallon Same as June 1, 1968	13 14 15
8/25 of 1¢ each 1¢ to 9¢ each 64¢ per lb. (effective June 30)	Same as June 30, 1969	Same as June 30, 1969	Same as June 30, 1969	Same as June 30, 1969	Same as June 30, 1969	16 17 18
Same as 1964	Same as 1964	15¢ per gallon 17¢ per gallon 3¢ per gallon (effective February 5)	Same as February 5, 1971	Same as February 5, 1971	Same as February 5, 1971	19 20 21
Nil	Nil	8/25 of 1¢ each				22
Nil	Nil	1¢ to 9¢ each	Same as February 5, 1971	Same as February 5, 1971	Same as February 5, 1971	23
Nil	Nil	2¢ per ½ oz. (effective February 5)				24
Same as January 23, 1968	Same as January 23, 1968	14¢ per gallon (effective April 1)	Same as 1971	Same as 1971 16¢ per gallon (effective April 1)	Same as 1971 Same as April 1, 1973	25 26
Nil	Nil	2¢ per gallon (effective April 1)				27
Nil	Nil	Nil	Nil	Nil	8/25 of 1¢ each 1¢ to 9¢ each (effective April 1)	28
Nil	Nil	Nil	Nil	Nil		29
12¢ per gallon	Same as 1969	14¢ per gallon (effective April 1)	Same as April 1, 1971	Same as April 1, 1971	Same as April 1, 1971	30
10¢ per gallon (effective April 1)	12¢ per gallon (effective April 1)	15¢ per gallon (effective April 1) 2½¢ per gallon (effective April 1)				31
Same as 1964	Same as 1964					32

TABLE VII. Historical Summary of the Federal Taxes on Alcoholic Beverages and Tobacco Products, 1964 to 1974

	1964	1965 to 1966 inclusive	1967	1968 to 1974 inclusive
1. Beer	Excise duty of 38¢ per gallon	Same as 1964	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 1964	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 1964	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 1964	Same as 1964	Same as 1964
5. Imported spirits taken into bonded manufactory ..	Excise duty of 30¢ per proof gallon (in addition to other duties)	Same as 1964	Same as 1964	Same as 1964
6. Wines:				
(a) Containing 7% or less of absolute alcohol by volume	Excise tax of 25¢ per gallon	Same as 1964	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 1964	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 1964	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 1964	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 1964	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 1964	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 1964	Same as 1964	Same as 1964

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.

APPENDIX

The Minister of Finance brought down a new budget on November 18, 1974. In addition to new proposals, the Minister reintroduced, in the same or amended form, all the proposals of the May 6th budget. The major recommended changes and new proposals are as follows:

- (i) The 5% reduction to personal income is retained, but as of January 1, 1975, to be increased to 8% with a maximum relief of \$750;
- (ii) the exemption from personal income tax for the first \$1,000 of interest income is reintroduced with the provision that it will extend to interest income and/or income from Canadian dividends, as of January 1, 1975;
- (iii) effective January 1, 1975, the first \$1,000 of pension income, other than from universal pension plans, to be exempted from personal income tax;
- (iv) the 30% write-off for expenditures incurred in the exploration of natural resources to be restored to 100% retroactive to May 6;
- (v) the two-year fast write-off provision for new machinery and equipment for Canadian manufacturing and processing concerns which was to expire on December 31, 1974, to be extended indefinitely;
- (vi) capital cost allowance on new, multiple-unit residential buildings for rent to be claimed against any source of income between November 18, 1974 and December 31, 1975;
- (vii) the extra abatement to the provinces of 10% for petroleum profits (over and above the basic abatement of 10% for taxable income earned by corporation in the provinces) is reintroduced and increased so that the federal rate of tax is 30% in 1974, 28% in 1975 and 25% in 1976 and subsequent taxation years;
- (viii) the federal sales tax on transportation equipment including railway cars, large trucks, buses and commercial aircraft to be eliminated;
- (ix) the sales tax of either 11% or 12% on building and construction materials to be reduced to 5%;

- (x) the special excise tax of \$20 on each 100 pounds of automobiles over 4,500 pounds and station wagons over 5,100 pounds is changed from the May 6th proposal to \$20 on the first 100 pounds over these minimum weights, \$25 on the next 100 pounds and \$30 on each subsequent 100 pounds;
- (xi) the special excise tax of 3% on motorcycles with engines larger than 250 c.c., privately-owned aircraft, marine motors larger than 20 h.p., and motor boats for such motors to be increased to 5% for the motorcycles and 10% for the other categories.

All the changes listed under (viii) to (xi) are to be made effective November 18.

The following commodity tax measures contained in the May budget are to be made effective as of November 18.

- (i) Excise duty on spirits increased to \$16.25 per proof gallon from \$14.25, equivalent to 24¢ per 25 oz. bottle.
- (ii) Excise tax on table wine increased to 95¢ per gallon from 55¢, equivalent to 6.5¢ per 25 oz. bottle.
- (iii) Excise tax on sparkling wine increased to \$2.95 per gallon from \$2.55, equivalent to 6.5¢ per 25 oz. bottle.
- (iv) Tax on cigarettes under Excise Act increased to 2 1/2¢ per 5 cigarettes from 2¢, equivalent to 2¢ per pack of 20.
- (v) Tax on tobacco under Excise Act increased to 50¢ per pound from 35¢, equivalent to 15¢ on a one pound tin.
- (vi) Tax on cigars under Excise Tax Act increased to 20.5% from 17.5%, equivalent to less than 3% of the selling price of cigars.

The manuscript of this publication was prepared well in advance of the November 18th budget. As a result, the changes listed above are not incorporated in the related tables.

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