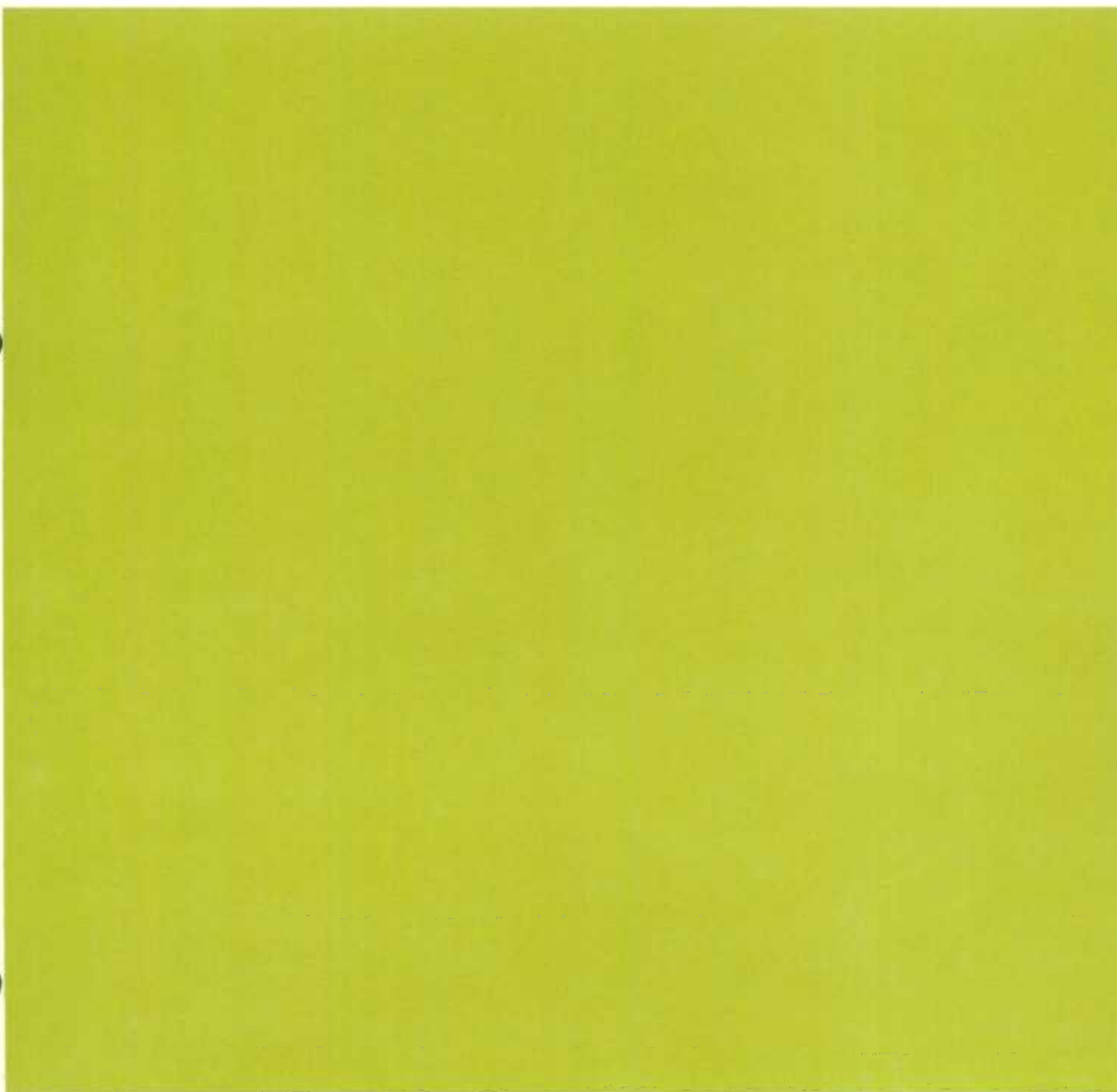


Principal taxes in Canada

1977



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INTRODUCTION

The Public Finance Division of Statistics Canada releases annually a summary of the principal taxes levied in Canada. These taxes are tabulated under the level of government which levies them, i.e., federal, provincial and municipal. Hence, the main divisions of the present publication are as follows:

General Commentary

Part I. Taxes Levied by the Federal Government

Part II. Taxes Levied by Provincial Governments

Part III. Taxes Levied by Municipal Governments

Part IV. Historical Tables of the Most Important Taxes.

The principal levies in force as at and changes proposed prior to July 1, 1977 whether or not implemented at that date are taken into account herein.

GENERAL COMMENTARY

For a clearer understanding of the nature of the principal taxes in force in Canada, it is useful to have some general knowledge of the sociopolitical context in which they are levied. To this end, the Canadian government structure and the main fiscal legislation presently governing the relations among units of government are briefly described below.

Government Structure

Canada is a federal state with a central government, 10 provincial governments and two territorial administrations. The **British North America Act**, adopted in 1867, forms the written constitution of the country. Sections 91 and 92 of the Act specify the distribution of taxing powers and responsibilities between the federal parliament and the provincial legislatures. Under Section 91, the Federal parliament is given unlimited taxing powers while, under Section 92, the provincial legislatures are granted the power of "direct taxation within the province in order to the raising of a revenue for provincial purposes". In addition, the BNA Act empowers the provinces to establish municipal institutions within their own territory. Thus, the latter derive their powers and their fiscal and financial responsibilities from the provincial legislature which created them.

In the mid-19th century, the definition of direct taxes formulated by J.S. Mills:¹ "A direct tax is one which is demanded from the very person who it is intended or desired should pay it", was the guiding principle. According to this definition, most major levies in Canada are direct taxes, i.e., personal and corporation income taxes, succession duties and a variety of provincial sales taxes which are paid by the ultimate purchaser or user of taxed goods and services. The field of indirect taxation, occupied solely by the federal government, includes customs duties, excise levies, export charges on certain products and sales taxes levied on manufacturers.

Direct taxation in the form of income tax was employed in several municipalities even before the formation of federation. This form of taxation was adopted

by British Columbia in 1876 and by Prince Edward Island in 1894 but it was not until 1917, during the First World War, that the federal government entered the income tax field. During the 1930's provinces began to levy taxes on income and by 1940 all provinces were taxing the income of corporations and seven were taxing the income of individuals. However, the provinces relinquished their occupancy of this field of taxation to the federal government for the duration of the Second World War.

Among the other direct taxes, succession duties are the oldest; Ontario and Quebec started to levy such duties in 1892. The other provinces soon followed by adopting succession duties legislation modeled on the Ontario Act. The federal government entered this field of taxation in 1941 with the adoption of the **Estate Tax Act**. This tax, however, applied to the total value of an estate, not to the part received by each heir as was the case with the provincial legislation. The **Estate Tax Act** was repealed in 1971.

Main Legislation Governing Federal-Provincial Relations

The federal-provincial fiscal arrangements, as they are now known, originated at the end of the Second World War, i.e., about 1946, when most provinces wanted to re-enter the direct taxation field. Several federal-provincial conferences were held at that time in order to devise the structure of the relations (fiscal and financial) that should prevail between the two levels of government. The first agreements in this respect were implemented for the years 1947 to 1952, pursuant to the **Dominion-Provincial Tax Rental Agreements Act**. Ontario and Quebec did not sign such tax rental agreements. These provinces continued to levy succession duties and resorted again to corporation income tax at a rate of 7%; they did not enter the personal income tax field.

The 1947 agreements started the series of quinquennial federal-provincial arrangements, each one modifying and broadening the terms and content of the immediately preceding one. For instance, with the adoption in 1957 of the tax sharing arrangements replacing the tax rental agreements in force since 1947, the federal government initiated the income tax abatement system in favour of the provinces. The 1957

¹ J.S. Mill, *Principles of Political Economy*, Book V, Chapter III.

formula, however, was modified by the 1962 agreements. Under this modification, the provinces could establish the rates of their own income tax which could be higher or lower than the federal abatement. Further, the federal government offered to collect, together with its own income tax, any income tax that provinces levied. Thus began the system of Tax Collection Agreements.

In addition to fiscal matters, recent quinquennial arrangements deal with fields of public interest in which joint federal-provincial actions are considered desirable. The main Acts governing existing arrangements are described below in the following order:

the Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977;
the Federal-Provincial Fiscal Revision Act, 1964.

The Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977

This Act, assented to March 31, 1977 and in force as of April 1, 1977, comprises 10 parts which are summarily described below.

I - Fiscal Equalization Payments

The equalization program, as it is now known, was established in 1967 and revised in 1972 and 1977. These revisions, however, did not modify its basic philosophy: the redistribution of part of the nation's wealth among the provinces. From its general revenue, the federal government compensates any province whose per capita revenue is below the national average by reason of a relative deficiency in the province's tax base. Thus, equalization payments are intended to ensure that all citizens are provided with comparable standards of public services throughout the country.

According to the formula, known as "the representative tax system", provincial revenue subject to equalization, which was divided into 20 revenue sources in the 1972 Act, is further divided in the 1977 Act into 29 revenue sources to better reflect what the provinces are now taxing. For each revenue source, an economic revenue base will be defined uniformly for all provinces in the Regulations to be made pursuant to the Act. These revenue sources are as follows:

- (1) personal income taxes,
- (2) corporation income taxes including revenues of government business enterprises not elsewhere specified in the Act and federal payments made pursuant to the **Public Utilities Income Tax Transfer Act**,
- (3) general and miscellaneous sales taxes and amusement taxes,
- (4) tobacco taxes,

- (5) motive fuel taxes derived from the sale of gasoline,
- (6) motive fuel taxes derived from the sale of diesel fuel,
- (7) non-commercial motor vehicle licensing revenues,
- (8) commercial motor vehicle licensing revenues,
- (9) alcoholic beverage revenues derived from the sale of spirits,
- (10) alcoholic beverage revenues derived from the sale of wine,
- (11) alcoholic beverage revenues derived from the sale of beer,
- (12) hospital and medical care insurance premiums,
- (13) succession duties and gift taxes,
- (14) race track taxes,
- (15) forestry revenues,
- (16) oil revenues derived from mineral rights owned by the province,
- (17) oil revenues derived from mineral rights owned otherwise than by the province,
- (18) natural gas revenues derived from mineral rights owned by the province,
- (19) natural gas revenues derived from mineral rights owned otherwise than by the province,
- (20) sales of Crown leases and reservations on oil and natural gas lands,
- (21) oil and gas revenues other than those described in (16) to (20),
- (22) metallic and non-metallic mineral revenues,
- (23) water power rentals,
- (24) insurance premium taxes,
- (25) payroll taxes,
- (26) provincial property taxes and school purpose taxes,
- (27) lottery revenues,
- (28) miscellaneous provincial taxes and revenues not specified individually above,
- (29) revenues of the Government of Canada from any of the sources enumerated above that are shared with the provinces, with the exception of the revenues derived from the income tax on Public Utilities.

The amount of revenue to be equalized in respect of some of the revenue sources is subject to qualifications or limitations. For instance, only one half of provincial revenues derived from the revenue sources described in (16) to (22) will be equalized and the related entitlement must not exceed one third of total equalization payable to one province. Further, one half of the revenues derived from non-renewable natural resources, which are contained in the revenue source (29) will be subject to equalization. There are other

technical qualifications applicable to revenues derived from natural resources. For more details in this respect, the reader may refer to subsections (5) to (8) of Section 4 of the Act.

To determine the amount of equalization to which a province is entitled, the province's population as a proportion of the all provinces' population and the province's revenue base as a proportion of the all provinces' revenue base for each of the 29 revenue sources are calculated. Where the former proportion is higher than the latter for any of the revenue sources, the province is said to have a fiscal capacity deficiency for that revenue source; if the magnitude of these proportions is reversed, the province is said to have a fiscal capacity excess. The total revenue of all provinces for each revenue source is multiplied by each province's respective fiscal capacity related to the appropriate revenue source and for any province the amount of equalization payable is the sum total of the "deficiency" products less the sum total of the "excess" products.

Since the beginning of this program in 1967, seven provinces have received equalization payments: Newfoundland, Prince Edward Island, Nova Scotia, New Brunswick, Quebec, Manitoba and Saskatchewan.

II - Fiscal Stabilization Payments to Provinces

The basic purpose of the stabilization program remains the same in the 1977 Act as what it was when this program was introduced in 1967, i.e., to ensure that a province's fiscal revenue is not less than its immediately preceding year's fiscal revenue, provided the tax rates and structure remain unchanged between the two years. In other words, this program provides the provinces with minimum fiscal stability, i.e., a floor under which provincial revenue cannot drop.

In the 1977 Act as in the former Act, provincial revenues subject to stabilization are the same as those that are to be equalized. However, the new Act contains some exceptions. For example, school purpose taxes are excluded from the stabilization program. Further, for stabilization purposes, the amounts of provincial income taxes, personal as well as corporate, have to be reduced by the tax credits and rebates granted to taxpayers. There are also special provisions concerning a reduction in natural resources revenue, whereby stabilization becomes applicable to the extent that the reduction exceeds 50% of such revenue in the previous year. No stabilization payments have been made to date.

III - Tax Collection Agreements

Pursuant to the **Federal-Provincial Fiscal Arrangements Act, 1962**, the federal government undertook to collect for the provinces, together with its own income tax, provincial personal and corporation income taxes

provided that provinces' tax systems were uniform with the federal system. All provinces, Quebec excepted, signed the agreements in respect of personal income tax and all provinces, except Quebec and Ontario, in respect of corporation income tax. This collection is made at no cost to the provinces, except for a small fee for the administration of special tax rebates implemented by some provinces.

The federal tax abatement system, introduced in 1957, was abandoned in 1972 and the federal rates of personal income tax were adjusted downward to take account of previous abatements and of modifications to the structure of the federal tax system. The latter consolidated the former categories of rates into a composite scale (e.g., the special calculation in respect of the old age security was integrated into the new rate structure). According to this new scale, it was estimated that a provincial tax rate of 30.5% of the new "basic federal tax" would produce the same revenue as did the 28% abatement granted under the 1967 arrangements.

Due to the modifications brought by the 1977 Act in respect of the financing of established shared-cost programs, which will be described under paragraph VI below, the enlarged personal income tax field available to the provinces will be equivalent to about 44% of "basic federal tax". Provincial governments, however, are free to specify rates above or below 44% and so determine the impact of their income taxes.²

The general terms of the agreements remain unchanged with the 1977 Act. However, a provision was added concerning the entering into such agreements with the Yukon and Northwest Territories should they decide to levy their own income taxes. Further, the provision concerning the collection of provincial succession duties and gift taxes has been deleted.

IV - Provincial Personal Income Tax Revenue Guarantee Payments

The formula according to which the federal government guaranteed that the provinces would not suffer a loss of personal and corporation income tax revenue entailed by the 1971 revision of the **Income Tax Act** has been completely modified with the 1977 Act.

First, provincial revenue from corporation income tax is no longer subject to revenue guarantee payments. Second, the guarantee in respect of provincial revenue from personal income tax is to be calculated for a given year in the five-year period April 1, 1977 to March 31, 1982, in relation to the immediately preceding year. For provinces which express their rates of personal income tax as a percentage of "basic federal tax", the federal government will compensate any revenue losses

² See Table 3 for provincial income tax rates.

they may incur as a result of policy changes which reduce the federal basic tax. However, such losses will have to exceed 1% of federal basic tax within a province before a guarantee payment can be made to that province. For provinces which have their own personal income tax system (Quebec only is in this case), a guarantee payment will be made if they make changes in their tax system similar to the federal changes during the same year.

V — Transfer Payments with Respect to Tax on 1971 Undistributed Income on Hand

The single modification brought to Part V of the 1972 Act by the 1977 Act limits the responsibility of the federal government to the payments as described in this part, i.e., no payment will be made to a province in respect of any tax that may be paid by corporations under Part IX of the **Income Tax Act**.

Payments made under this part of the Act refer to the tax prepaid prior to 1971 by a corporation, at a special rate of 15%, on shareholders' earnings retained in the corporation, which earnings can subsequently be distributed to shareholders free of tax. Provisions in this respect were retained in the revised **Income Tax Act** for income earned prior to 1972. Part V of the **Federal-Provincial Fiscal Arrangements Act, 1972** was retained in the new Act to ensure that the provinces continue to receive a share of the prepaid tax when tax-paid earnings are distributed to shareholders. This share is equivalent to 20% of the tax already paid.

VI — Established Programs Financing

Part VI of the 1977 Act sets out the provisions for the financing of the established shared-cost programs, namely the Post-Secondary Education program, the Hospital Insurance program, the Medical Care program and the Extended Health Care Services program. Through this new Act all open-ended cost-sharing arrangements in the health care fields are being terminated and the cost-sharing provisions of the **Hospital Insurance and Diagnostic Services Act** and the **Medical Care Act** are replaced by the financing provisions as set out in this Part VI.

No termination date is specified, but there are provisions indicating that no amendments which would reduce a province's entitlement can be made except on three year's notice or with the consent of the province. Further, such notice cannot be given by the federal government before April 1, 1979. Under these new financing arrangements, the federal contributions are no longer tied to provincial expenditures. As a result, the need for detailed accounting records required under former cost-sharing formulas is eliminated.

The federal contributions, under the new financing system take the form of a transfer of a share of the field

of income taxes, occupied so far by the federal government and of cash payments. In the field of income taxes, the share of the federal taxes transferred to the provinces is equal to 13.5% of "basic federal tax" and a 1% tax on corporation taxable income. These percentages include however the former transfers of 4.357% of personal income tax and the 1% tax on corporation taxable income which were associated with the post-secondary education cost-sharing program. Therefore, the net additional tax transfer in favour of the provinces corresponds to 9.143% of the former basic federal tax. From 1977 onward, the latter is reduced to take into account such a transfer. As a result, there would be no increase in income tax to be paid by taxpayers if the provinces were to raise their rates to offset precisely the federal reduction. For example, for provinces which express their rates as a percentage of basic federal tax, the simple addition of about 14 percentage points to their rates would achieve such an offsetting.

In the case of the province of Quebec, the tax change required consists only in a reduction of the special federal tax abatement granted to the residents of the province, from 24% to 16.5%. In other words, the established programs financing arrangements set out in the 1977 Act do not affect that province, except for the above-mentioned reduction, since Quebec had already contracted-out all these shared-cost programs. Thus, one consequence of the new financing arrangements is to bring, in line with Quebec, the other provinces which did not avail themselves of the 1965 contracting-out formula.

Cash payments are in four forms as follows:

- (1) A basic per capita cash contribution equal to the product obtained by multiplying an amount equivalent to 50% of the national average per capita contribution to the above-mentioned shared-cost programs in the base year, i.e., 1975-76, adjusted annually according to the rate of growth of the Canadian economy, with the population of each province.
- (2) Transition payments to compensate for variations in the value of the tax transfers among the provinces to ensure that this value is at least equal to the basic cash contribution.
- (3) Levelling adjustments to facilitate the transition to the new arrangements and to achieve equal per capita payments among provinces over a five-year period. Provinces below the national average will receive additional per capita grants so as to reach this average in three years; provinces above the national average will be reduced to that average in five years. Cash payments for these three components are allocated among the established programs according to the ratio each had in the reference year 1975-76, which was as follows:

Hospital Insurance	50%
Medical Care Insurance	17%
Post-Secondary Education	33%

(4) Finally, a cash payment of \$20 per capita, adjusted annually to take account of variations in the Gross National Product, in respect of some health care services formerly included in part in the Canada Assistance Plan, such as nursing home and adult residential care services. Other services are also included, namely intermediate care, converted mental hospitals, home care and ambulatory health care.

VII -- Alternative Payments for Standing Programs

In 1964, the provinces were given an option to assume full financial and administrative responsibility for certain federal-provincial shared-cost programs in return for fiscal compensation. To this end, the **Established Programs (Interim Arrangements) Act** was enacted in April 1965, which is repealed through the 1977 Act. Quebec alone took advantage of this legislation and contracted out all major shared-cost programs. Several amendments were made to the Act between 1965 and 1972. As a result, the tax abatement granted to Quebec, in respect of "contracting-out", was at the end of 1976 as follows:

Hospital Insurance program	16%
Special Welfare program	5%
Total	21%

However, the total tax abatement to Quebec taxpayers amounted to 24%, since there was, in addition, an abatement of 3% in respect of youth allowances.

In addition to granting an income tax abatement, the federal government also made, pursuant to the 1965 Act, an operating cost adjustment, consisting of either a payment or a recovery, to ensure that the province would not receive more or less than the other provinces which did not avail themselves of the option to assume full responsibilities of the programs involved.

The Federal-Provincial Fiscal Revision Act, 1964

The provisions of Part VII of the 1977 Act also deal with the financial aspects of the **Federal-Provincial Fiscal Revision Act, 1964** which was amended in 1973 to allow the federal government to recover from Quebec the full value of the tax abatement (3%) granted to that province in relation to youth allowances. Such an amendment became necessary when these allowances started to be paid to Quebec residents pursuant to amendments made to the **Family Allowances Act** in 1973.

The new arrangements in respect of the federal income tax abatement in favour of the provinces required new calculations of the special abatement to Quebec related to "contracting-out". These calculations take into account the additional fiscal transfer of 13.5% granted to all provinces and the accompanying reduction in the basic federal tax. As a result, the revised tax abatement granted to Quebec taxpayers is 16.5% of the reduced federal basic tax commencing with the 1977

taxation year. For administrative purposes, this abatement is distributed as follows:

Established programs financing	8.5%
Special welfare	5.0%
Youth allowances	3.0%

The abatement of 8.5% is to offset cash otherwise payable for Hospital Insurance, Medical Care, Post-Secondary Education and extended health services, that of 5% is in respect of blind persons allowances, disabled persons allowances, unemployment assistance and the welfare services referred to in the Canada Assistance Plan. As mentioned above, the 3% abatement in respect of youth allowances is fully recovered by the federal government.

VIII -- Provincial Taxes and Fees

According to the **British North America Act**, a government cannot levy taxes on another government. However, due to the growing complexities of the economic and commercial transactions of governments, the constitutional provisions regarding intergovernmental taxation have become increasingly difficult to observe, particularly when government purchases are made through suppliers in the private sector such as retailers and building contractors.

To remove, or at least to minimize, the uncertainties and difficulties surrounding the paying of consumption taxes among governments, a set of indices based on criteria applied to various types of expenditure has been devised and is incorporated in Part VIII of the 1977 federal-provincial fiscal arrangements. Under this part of the Act the federal government may enter into reciprocal taxation agreements with the provincial governments as of October 1, 1977. Such agreements will run until March 31, 1981, with provisions for renewal. The terms of these agreements also apply to purchases by Crown corporations listed in Schedules C and D to the **Financial Administration Act** and in Schedules A and B to the **Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977**. As of February 1977, six provinces had agreed to enter into these reciprocal taxation agreements: Newfoundland, Prince Edward Island, Nova Scotia, New Brunswick, Quebec and Ontario.

Payments by the federal government in lieu of provincial consumptions taxes and fees will be determined as follows:

- (a) Federal departments will continue to be exempt from provincial sales taxes for their purchases of otherwise taxable goods and services. For such purchases, the participating provinces will provide a sales tax licence which will be noted on the purchase documents. The federal Department of Finance will then allocate, according to a formula to be spelled out in the Regulations, the amount of taxes accruing

to each participating province and will make a corresponding payment in lieu of such taxes.

- (b) Some taxes and fees as, for instance, motive fuel taxes, tobacco and amusement taxes and sales taxes on building materials purchased by contractors for the construction and maintenance of government buildings will be paid by federal departments through the suppliers as is the case for any other type of buyers.

As for the provinces, they will pay any tax or fee levied under the **Excise Tax Act** and waive the right to a refund of such tax or fee as provided in subsection 44(2) of that Act.

Since the Regulations to be made pursuant to the Act are not available at this time, the actual and detailed operations of the reciprocal taxation agreements are not known. However, the Act specifies that the federal government will pay to the participating provinces an amount equal to the difference between the federal taxes paid by a province and the provincial taxes paid by the federal government within that province. It is estimated that an amount of about \$13 million will have to be paid by the federal government for the six-month period October 1, 1977 to March 31, 1978.

Finally, federal payments in relation to a provincial tax which constitutes a revenue source for equalization purposes will be deemed to be a provincial revenue from that revenue source and will, therefore, be subject to equalization entitlements payable to participating provinces.

The remaining parts of the **Federal-Provincial Fiscal Arrangements and Established Program Financing Act, 1977** — IX: General and X: Consequential and Related Amendments and Coming into Force; deal with (a) the making of regulations and the manner in which recoveries of overpayments can be made — Part IX and (b) technical formulae applicable to various provisions of the Act and the new scale of personal income tax for 1977 and subsequent taxation years — Part X. This scale takes into account the additional net fiscal transfer of 9.143% of "basic federal tax" to the provinces in respect of the established programs financing. The revised federal rates and levels of taxable income are presented in Table 1 of the following part of this publication.

The table below sets out the amounts paid by the federal government to provincial governments during the fiscal year 1976-77 under the 1972 fiscal arrangements.

Payments to the Provinces Pursuant to the Federal-Provincial Fiscal Arrangements Act, 1972
1976-77

	\$'000
Equalization	2,169,282
Stabilization	—
Tax collections:	
Personal income tax	3,910,425
Corporation income tax	666,852
Tax revenue guarantee:	
Personal income tax	722,005
Corporation income tax	221,107
Tax on 1971 undistributed income on hand.	15,555
Post-Secondary Education adjustments	649,000
Total payments	8,354,226

NOTE

In the tables of this publication, the statutory authority under which taxes are levied by the federal and provincial governments is provided. The proper name of the statute or revised statute is followed by the year of implementation, the number of the chapter concerned and a statement as to whether there have been subsequent amendments, i.e., **Excise Tax Act**; R.S.C. 1970, c. F13 and amendments.

PART I

TAXES LEVIED BY THE FEDERAL GOVERNMENT

TAXES LEVIED BY THE FEDERAL GOVERNMENT

The federal government levies a variety of taxes which apply throughout Canada. The principal of these:

income, sales and excise taxes, excise and custom duties and petroleum export charges are dealt with below.

Income Taxes

Under Part I of the **Income Tax Act**, the federal government levies a tax on the taxable income of individuals and corporations resident in Canada, whether this income is derived from sources inside or outside the country. It also levies a tax on the taxable income of non-residents which is earned in Canada either from employment or from business carried on within Canada or from a gain on disposal of taxable Canadian property. 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, the determination of the income of individuals can be described in three successive steps: the declaration of total income, the computation of net income and the determination of taxable income.

First total income includes earnings from all sources, such as

- (a) income from office or employment, i.e., salaries, wages, gratuities, commissions, benefits from employment, personal or living expenses, fees and allocations under profit sharing plans;
- (b) income (or loss) from business or property, i.e., profits, interest, payments based on production or use (royalties or rents), dividends, partnership income, benefits from estates and employees profit sharing plans;
- (c) one half of realized capital gains or incurred losses;
- (d) other sources of income, such as pensions, unemployment insurance benefits, retiring allowances, death benefits, alimony, maintenance payments, annuity payments, adult training allowance, scholarships, bursaries, research grants and family allowances.

On the other hand, total income excludes employment expenses up to the lesser of 3% of employment income or \$250.

Secondly, certain deductions from total income are permitted to determine the net income of individ-

uals. These include the capital element of annuity payment, alimony and maintenance payments, tuition fees, contributions to a pension plan, Deferred Profit Sharing Plan, Registered Retirement Savings Plan, Registered Home-ownership Savings Plan, Education Savings Plan, income averaging annuity contract, moving (under certain conditions) and child care expenses, depletion, exploration and development expenses.

Thirdly, taxable income is derived by subtracting from net income personal exemptions and deductions, other than those listed above, as they are set out in Table 1. As may be noted in this table, tax rates and levels of taxable income in each bracket are adjusted to exclude the fiscal transfer of 9.143% granted to the provinces pursuant to the 1977 federal-provincial financial arrangements, which were described above in the introduction. Further, income levels have been established to take into account an estimated increase of 8.6% in the Consumer Price Index in 1977.

Corporation Income Tax

For taxation purposes, income of corporations includes all returns derived from carrying on business or from holding property. Among such returns are operating profits, investment earnings (interests, dividends, rents and royalties) and gains resulting from the disposal of capital property. Expenses, including indirect taxes, e.g., property taxes, and outlays necessary to earn a particular type of income as well as specified deductions are subtracted from the relevant return to determine the taxable income of corporations. Taxable capital gains are the net difference between one half of realized capital gains and one half of related capital losses.

The rates of corporation income taxes are set out in Table 1. There is, in the same table, a brief description of special taxes levied under the **Income Tax Act**, namely taxes on taxable dividends received by private corporations, on investment income of life insurers, on income from Canada of non-residents and additional taxes on earnings of Canadian branches of foreign corporations.

Other Important Federal Taxes

Besides income taxes the federal government levies other taxes pursuant to various Acts, of which the most important are the Excise Tax Act, the Exice Act, the

Customs Tariff and the Petroleum Administration Act. The main taxes levied under each of these Acts are briefly described on the following page.

The Excise Tax Act

(a) Consumption or Sales Taxes

Under Part V of the above-mentioned Act, the federal government levies a tax, usually referred to as the manufacturers' sales tax, on all goods produced in or imported into Canada unless there is a specific exemption in the Act. For goods produced in Canada, the taxable value is the selling price of the manufacturer or, under certain conditions, the purchase price of a licensed wholesaler or operator of duty-free sales outlets. Where goods are imported the tax is levied on the duty-paid value of the goods. The rate is 12% on most commodities; it is 5% on building equipment and construction materials which are specified in Schedule V to the Act. A list of goods, either fully or partially exempt, is given in Table 2.

(b) Excise Taxes

An excise tax is levied on foreign insurance premiums, other than marine, pursuant to Part I of the **Excise Tax Act** and on air transportation pursuant to Part II.

Most commodities subject to the consumption tax described above are also subject to the excise tax. These commodities or articles are specified in Parts III and IV of the Act as well as in the schedule to the Act. Most of these articles are listed in Table 2. The excise tax and the consumption tax are calculated independently on the basic value of the product which is either the sale or delivered price when made in Canada, or the duty-paid-value when imported. For alcoholic beverages and tobacco products the sale price, for the purpose of the excise taxes, includes the excise duties levied under the **Excise Act**. The excise tax does not apply to exported goods.

The Excise Act

Under this Act, the federal government levies duties on tobacco and alcoholic products, other than

wines, made in Canada. These commodities are under the control of the Crown until the duty is paid and evidenced by a stamp or an approved imprint placed on the article. The duties are expressed at various unit rates based on the quantity rather than the value of the product and are applied before the above-mentioned excise taxes are levied. For similar imported products, the excise duty is included in the customs duty rates applicable.

The Customs Tariff

Customs duties are imposed on most imported commodities under the authority of the **Customs Tariff**. Imported articles are classified under various categories and a rate is established for each. There are two types of rates; a specific rate, i.e., an amount per quantity or volume, and an "ad valorem" rate which is a percentage of the dutiable value of the imported goods. This value is generally the fair market value in the country of export. In addition, these two types of rates vary according to the country of origin of the imported goods. In this respect, there are three categories: (i) British preferential rates, which are the lowest, (ii) most favoured nation rates established under special agreements with certain countries, and (iii) general rates, which apply to imports from countries not specified elsewhere in the Act.

The Petroleum Administration Act

Under the authority of this Act, the federal government levies a charge on the export of crude oil and certain other petroleum products. Rates of taxation, which vary according to the kinds and qualities of the products, consist of a specific charge per barrel or equivalent of barrels.

Table 2 sets out the rates levied under the above-described Acts on various goods and activities, exclusive however of customs duties. For detail on tariff schedules, reference should be made to Revenue Canada, Customs and Excise.

1977 Changes in Federal Taxes

The **Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977**, which replaces the arrangements enacted in 1972, as described above in the introduction, brings forth changes to the **Income Tax Act**. First, the transfer of additional tax points to the provinces necessitated the establishment of a new rate schedule for 1977 and subsequent taxation years. Secondly, the rate of tax cut presently in effect is increased from 8% to 8.81%, the latter rounded to 9%, in order to maintain the value of the reduction comparable to its value prior to the tax transfer. Thirdly, the federal portion of the dividend tax credit decreased to

75% from 80% of the amount of dividend gross-up and, as a consequence, the provincial portion increased from 20% to 25%. Finally, the rate of tax on income of persons not subject to provincial tax, namely residents of the Yukon and Northwest Territories and Canadian taxpayers living abroad, increased from 30% to 43%.

In addition to the modifications outlined above, the federal government brought forward other changes in the "Budget Speech" presented to the House of Commons on March 31, 1977. All changes are to take effect as of January 1st 1977, except otherwise stated.

1. Personal Income Tax

- (a) A tax reduction of up to \$50 for each dependent child under 18 years of age and residing in Canada was granted in addition to the 9% reduction mentioned above.
- (b) The employment expense maximum deduction is increased from \$150 to \$250.
- (c) Taxable capital gains realized on the sale of Canadian securities are eligible for inclusion in the \$1,000 deduction applicable to interest and dividends.
- (d) Net capital losses up to \$2,000 can be deducted against income from other sources; this is twice the amount previously allowed.

2. Corporation Income Tax

- (a) The 5% investment tax credit applicable to capital expenditures on new buildings, machinery and equipment that was scheduled to end July 1, 1977 was extended to July 1, 1980. Further, the terms of the credit have been enlarged to apply to certain capital expenditures and the rate was increased for specific designated regions. The latter will be in force from April 1, 1977 to June 30, 1980.
- (b) Effective for their fiscal periods commencing after December 31, 1976, businesses are permitted to deduct an amount equal to 3% of the value of inventory on hand at the beginning of the year.

3. Non-resident Tax on Interest

The exemption from non-resident withholding tax for interest on government bonds and long-term corporate bonds issued before 1979 was extended to cover securities issued before 1983.

The exemption was also extended to cover interest paid to non-residents on or after January 1, 1977 on mortgages on real property situated outside Canada.

4. Consumption or Sales Tax

The items listed below are exempt from the consumption or sales tax, as of April 1, 1977:

- (a) certain handcraft products of significance to Canadian heritage and culture,
- (b) coins used as currency in any country,
- (c) wheel-chair lifts and other equipment utilized by disabled,
- (d) tricycles,
- (e) the articles and materials used in the manufacture of the products listed above under (c) and (d),
- (f) 50% of the sale price, when manufactured in Canada, or 50% of the duty-paid value, when imported, of metric retail scales having a maximum weighing capacity of 100 kilograms and designed for the weighing of goods in retail operations,
- (g) parts and kits for conversion or adaption to the metric system,
- (h) motor vehicles, trackless trains and parts and accessories for installation in such vehicles, which are used exclusively for transporting at least 12 handicapped persons,
- (i) the 12% tax levied on certain petroleum products has been replaced by a specific tax per gallon varying between \$0.04918 and \$0.05507 for gasoline and of \$0.04618 for diesel fuel.

5. Air Transportation tax

The air transportation tax, levied under the **Excise Tax Act**, was modified to apply to tickets purchased abroad which involve the use of Canadian air transportation facilities after October 31, 1977.

All the changes outlined above are listed in Tables 1 and 2.

TABLE 1. Income Taxes Levied by the Federal Government

Personal income tax																									
1. Statutory authority	Income Tax Act (Part I) S.C. 1970-71-72 c. 63 and amendments.																								
2. Basis	Taxable income of residents and taxable income earned in Canada of non-residents.																								
3. Rate	<p>6% on the first \$710 of taxable income</p> <table> <tr> <td>\$ 43 on \$ 710 plus 16% on next \$ 709</td><td></td></tr> <tr> <td>156 " 1,419 " 17% " 1,419</td><td></td></tr> <tr> <td>397 " 2,838 " 18% " 1,419</td><td></td></tr> <tr> <td>653 " 4,257 " 19% " 2,838</td><td></td></tr> <tr> <td>1,192 " 7,095 " 21% " 2,838</td><td></td></tr> <tr> <td>1,788 " 9,933 " 23% " 2,838</td><td></td></tr> <tr> <td>2,441 " 12,771 " 25% " 2,838</td><td></td></tr> <tr> <td>3,150 " 15,609 " 28% " 4,257</td><td></td></tr> <tr> <td>4,342 " 19,866 " 32% " 14,190</td><td></td></tr> <tr> <td>8,883 " 34,056 " 36% " 21,285</td><td></td></tr> <tr> <td>16,346 " 55,341 " 39% " 29,799</td><td></td></tr> <tr> <td>28,167 " 85,140 " 43% on remainder</td><td></td></tr> </table>	\$ 43 on \$ 710 plus 16% on next \$ 709		156 " 1,419 " 17% " 1,419		397 " 2,838 " 18% " 1,419		653 " 4,257 " 19% " 2,838		1,192 " 7,095 " 21% " 2,838		1,788 " 9,933 " 23% " 2,838		2,441 " 12,771 " 25% " 2,838		3,150 " 15,609 " 28% " 4,257		4,342 " 19,866 " 32% " 14,190		8,883 " 34,056 " 36% " 21,285		16,346 " 55,341 " 39% " 29,799		28,167 " 85,140 " 43% on remainder	
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8,883 " 34,056 " 36% " 21,285																									
16,346 " 55,341 " 39% " 29,799																									
28,167 " 85,140 " 43% on remainder																									
4. Personal exemptions	<p>Married taxpayer \$4,260</p> <p>Single taxpayer 2,270</p> <p>Dependant child under 16 years of age 430</p> <p>Other dependants (as defined by law) 780</p> <p>Taxpayer aged 65 years or over (transferable to spouse) 1,420</p>																								
5. Deductions	<p>Charitable donations up to 20% of net income.</p> <p>Gifts to the federal or provincial governments.</p> <p>Medical expenses in excess of 3% of net income.</p> <p>An optional standard deduction of \$100 in lieu of claiming charitable donations and medical expenses.</p> <p>\$1,420 for blind persons or persons confined to a bed or wheelchair (transferable to spouse).</p> <p>Payments of supplement under Old Age Security Act.</p> <p>\$50 for each month in attendance at a post-secondary institution for students and/or supporting individuals (transferable to spouse).</p> <p>Interest, dividends and capital gains on Canadian securities up to \$1,000 (transferable to spouse).</p> <p>\$1,000 for pension income other than from universal pension plans (transferable to spouse).</p> <p>Non-capital losses sustained in any of the five preceding years, net capital losses up to the amount of any taxable capital gains (maximum of \$2,000 may be deducted from other sources of income) and restricted farm losses of prior years to the extent of farm income.</p> <p>Employment expenses up to the lesser of 3% of employment income or \$250.</p>																								
6. Tax reductions and credits	<p>General averaging when income exceeds 120% of average income of the preceding four years or 110% of income for the immediately preceding year.</p> <p>Averaging for farmers or fishermen for a block of five years.</p> <p>16.5% tax abatement for income earned in Quebec in compensation for the province's opting-out of certain shared-cost programs.</p> <p>A general 9% of tax payable with a minimum of \$200 and a maximum of \$500.</p> <p>25% of the taxable amount (actual amount plus one third of this amount) of dividends from taxable Canadian corporations.</p> <p>A foreign tax credit applicable to foreign non-business income and income from business carried on in a foreign country.</p> <p>A portion of political contributions to federal registered parties and candidates up to a maximum of \$500.</p>																								
7. Special tax in lieu of provincial tax	43% on income earned in the Yukon and Northwest Territories and in another country.																								
Corporation income tax																									
8. Statutory authority	Income Tax Act; Part I.																								
9. Basis	Total taxable income of corporations and taxable income of foreign corporations earned in Canada.																								
10. Rate	46%.																								
11. Deductions	<p>Charitable donations up to 20% of net income.</p> <p>Gifts to the federal or provincial governments.</p> <p>Non-capital losses sustained in any of the five preceding years, net capital losses and restricted farm losses of prior years to the extent of a corporation's net capital gain and farm income respectively.</p> <p>Taxable dividends from a taxable Canadian corporation and from a controlled subsidiary resident in Canada with certain minor exceptions. (Dividends received from non-resident or foreign corporations are not generally deductible.)</p>																								

TABLE 1. Income Taxes Levied by the Federal Government — Concluded

Corporation income tax — Concluded	
12. Tax reductions and credits	10% abatement of taxable income earned in a province. 21% for Canadian-controlled private corporations on first \$150,000 of income from an active business carried on in Canada to the overall limit of \$750,000. 6% on manufacturing and processing profits (5% when qualifying for small business deduction). Foreign tax credit. A logging tax deduction which is the lesser of 2/3 of logging taxes paid to a province or 6 2/3% of income from logging operations. Federal political contributions tax credit. 5% investment tax credit applicable to new buildings, machinery and equipment acquired between June 24, 1975 and July 1, 1980. (Higher rates for designated regions.) 3% of the value of inventory on hand at the beginning of a corporation's fiscal year.
13. Special rules	Private corporation: A refund of 25% of corporate taxes paid in respect of Canadian investment income and foreign investment income (other than dividends) when taxable dividends are paid to shareholders. Investment corporation: Investment income qualifies for 25% reduction in normal corporate rates. Realized capital gains are taxed at normal corporate rates (refundable when gains are distributed to shareholders as capital gains dividends). Dividends from taxable Canadian corporations are exempt.
Tax on taxable dividends received by private corporations	
14. Statutory authority	Income Tax Act; Part IV.
15. Basis	Private corporations' taxable dividends.
16. Rate	33 1/3% (refundable when taxable dividends are paid).
Tax on 1971 undistributed income on hand	
17. Statutory authority	Income Tax Act; Part IX.
18. Basis	Election to prepay special tax on 1971 undistributed income on hand.
19. Rate	15%
Tax on investment income of life insurers	
20. Statutory authority	Income Tax Act; Part XII.
21. Basis	Investment income of life insurers.
22. Rate	15%
Tax on income from Canada of non-resident persons	
23. Statutory authority	Income Tax Act; Part XIII.
24. Basis	(a) Amounts paid to a non-resident: General rate on management fees, interest, trust income, rents, royalties, alimony, pension payments, rental of motion picture film and dividends. (b) Dividends paid by a corporation having a degree of Canadian ownership (25% of voting equity stock).
25. Rates	(a) 25% } except where limited by treaty. (b) 20% }
26. Exemptions	Interest on certain corporate and government debt securities issued after June 23, 1975 and before December 31, 1982. Dividends or interest payable by a non-resident-owned investment corporation. Copyrights. Payments to holder of a certificate of exemption. Interest paid to non-residents after January 1, 1977 on mortgages on real property situated outside Canada.
Additional tax on non-Canadian corporations carrying on business in Canada	
27. Statutory authority	Income Tax Act; Part XIV.
28. Basis	Taxable income earned in Canada reduced by tax already paid.
29. Rate	25% (except where limited by treaty).

TABLE 2. Other Important Federal Taxes

Consumption or sales tax	
1. Statutory authority	Excise Tax Act (Part V) R.S.C. 1970, c. E-13 and amendments.
2. Basis	Manufacturers' selling price or duty paid value of imports.
3. Rate	General rate 12% Schedule V 5% Petroleum products: Gasoline Grade 1 \$0.05507 per gallon Gasoline Grade 2 0.04918 " " Gasoline No lead 0.05132 " " Diesel fuel 0.04618 " "
4. Comments	Schedule III (fully exempt articles): Covering or containers; diplomatic articles; educational material; farm and forest products; foodstuffs; fuel and electricity; health material; marine and fisheries items; mines and quarries material; municipalities; production equipment, processing materials and plans; goods manufactured in institutions; clothing and footwear; construction equipment; transportation equipment; insulation material and other miscellaneous items. Schedule V (articles taxed at a reduced rate of 5%): Construction materials and equipment for buildings.
Insurance premiums other than marine	
5. Statutory authority	Excise Tax Act (Part I) R.S.C. 1970, c. E-13 and amendments.
6. Basis	Premiums in respect of insurance effected outside Canada.
7. Rate	10% of the net premium paid.
8. Comments	Does not apply to insurance against fire, personal accident, sickness, marine loss or marine risk.
Air transportation tax	
9. Statutory authority	Excise Tax Act (Part II) R.S.C. 1970, c. E-13 and amendments.
10. Rate	Canada, Continental United States, St. Pierre and Miquelon, including use of air transportation facilities in Canada 8% (Maximum \$8) Other flights \$8
Excise tax	
11. Statutory authority	Excise Tax Act (Parts III and IV) R.S.C. 1970, c. E-13 and amendments.
12. Basis and rate	Part III, articles enumerated in Schedule I: Lighters \$ 0.10 per unit Amusement devices 10% ad valorem Smokers accessories 10% " " Cigars 20 1/2% " " Matches 10% " " Clocks and watches (portion over \$50) 10% " " Jewellery, precious or semi-precious stones 10% " " Automobiles: 4,425-4,525 lb. (portion) \$ 30 4,525-4,625 lb. (portion) 40 4,625-4,725 lb. (portion) 50 Each additional 100 lb. 60 Station-wagons, vans and trucks: 5,000-5,100 lb. (portion) \$ 30 5,100-5,200 lb. (portion) 40 5,200-5,300 lb. (portion) 50 Each additional 100 lb. 60 Motorcycle (displacement greater than 250 c.c.) 3% Boats and motors exceeding 20 h.p. 10% Private aircraft 10% Gasoline \$ 0.10 per gallon Air conditioner for motor vehicles \$100

TABLE 2. Other Important Federal Taxes - Concluded

Excise tax - Continued	
12. Basis and rate	<p>Part III, articles enumerated in Schedule II:</p> <p>Cigarettes \$ 0.03 per 5</p> <p>Tobacco-manufactured 0.90 per pound</p> <p>Part IV:</p> <p>Playing cards 0.20 per pack</p> <p>Wines (excluding imports. Custom duties on imports are set to take into account the taxes levied on domestic production of wines):</p> <p>Wine containing 7% or less alcohol 0.25 per gallon</p> <p>Non-sparkling wines containing more than 7% alcohol but not over 40% proof spirit 0.50 " "</p> <p>Champagne and all other sparkling wines 2.50 " "</p> <p>Additional levy (applied to domestic and imported wines):</p> <p>Wines containing 7% or less alcohol 0.025 " "</p> <p>Wines containing more than 7% alcohol 0.05 " "</p>
Excise duties	
13. Statutory authority	Excise Act; R.S.C. 1970, c. E-12 and amendments.
14. Basis and rate	<p>(a) Spirits:</p> <p>Domestic potable spirits on the strength of proof distilled in Canada. \$16.25 per gallon</p> <p>Non-potable spirits used in the manufacture of:</p> <p>Medicines, extracts, pharmaceutical preparations, etc. 1.50 " "</p> <p>Approved chemical compositions 0.15 " "</p> <p>Spirit sold to druggist for preparation of prescriptions 1.50 " "</p> <p>Imported spirits taken into bonded manufactory, in addition to other duties 0.30 " "</p> <p>Canadian brandies 14.25 " "</p> <p>Beer 0.42 " "</p> <p>(b) Tobacco - On domestic production:</p> <p>Manufactured tobacco excluding cigarettes 0.50 per pound</p> <p>Cigarettes weighing not more than 3 lb. per 1,000 5.00 per 1,000</p> <p>Cigarettes weighing more than 3 lb. per 1,000 6.00 " "</p> <p>Cigars 2.00 " "</p> <p>Canadian raw leaf tobacco when sold for consumption. 0.10 per pound</p>
15. Comments	<p>(a) These duties do not apply to spirits used to treat domestic wine or in the manufacture of vinegars or cosmetics.</p> <p>(b) Imported tobacco products are not subject to excise duties but the custom duties to which they are liable include an element in respect of excise.</p>
Customs import duties	
16. Statutory authority	Customs Tariff; R.S.C. 1970, c. C-41 and amendments.
17. Basis and rate	<p>Either ad valorem duty which is based on a percentage of the value of goods imported or specific rates apply under the following categories:</p> <p>(a) British preferential (lowest).</p> <p>(b) Most favored nation (under special agreement with various countries).</p> <p>(c) General (applicable to countries not included in (a) and (b)).</p>
18. Comments	<p>The tariff schedules are too lengthy and complicated to be summarized here.</p> <p>The rates applicable to a particular item may be obtained from Revenue Canada, Customs and Excise.</p>
Petroleum export charge	
19. Statutory authority	Petroleum Administration Act; S.C. 1975, c. 47.
20. Basis and rate	<p>Oil products exported as of June 1977:</p> <p>Lloydminster type crude \$3.90 per barrel</p> <p>Selected crude less than 25° A.P.I. 4.35 " "</p> <p>Condensate 5.60 " "</p> <p>All other crude 5.60 " "</p> <p>Motor gasoline 4.25 " "</p> <p>Middle distillate 4.25 " "</p> <p>Heavy fuel oil 4.25 " "</p> <p>Partially processed oil 5.60 " "</p>

PART II

TAXES LEVIED BY PROVINCIAL GOVERNMENTS

U. T. 1

EXHIBIT C. 10. 17. 1971. 14. 10. 1971.

TAXES LEVIED BY PROVINCIAL GOVERNMENTS

The principal taxes levied by provincial governments are highlighted under three headings: income

taxes, consumption taxes and miscellaneous levies.

Income Taxes

In addition to personal and corporation income taxes, some provincial governments levy capital and gift taxes as well as succession duties. Even though the latter are generally considered as a tax on wealth, they are dealt with here under the general heading of income taxes.

Personal Income Tax

All provincial governments levy a tax on the income of individuals who reside in or, in the case of non-residents, who earn an income from sources within provincial boundaries. The province of residence on the last day of a taxation year, i.e., 31st December, determines the provincial income tax to be paid at the rates prevailing in that province. The tax is calculated on the basis of total income for the year (except business income) regardless of where that income was earned. The portion of business income which is earned in provinces other than the province of residence is allocated among the permanent establishments outside that province and the portion which is earned in the province of residence is attributed to that province.

The rates applicable in each province (as set out in Table 3) are expressed as percentages of "basic federal tax",¹ except in Quebec where rates are based directly on income. Some provinces employ tax credit and rebate measures to alleviate the weight of their taxes on low income taxpayers. These measures are indicated in Table 3. As noted above, the federal government, pursuant to Tax Collection Agreements, collects provincial personal income tax (Quebec excepted) according to the rates and special legislation established under provincial statutes.

The province of Quebec has its own personal income tax system under which the tax is computed, not as a percentage of the "basic federal tax" as is the case of the other provinces, but by reference to a graduated rate schedule, devised by the province, which takes into

account the federal income tax transfer of 13.5% granted to all the provinces, pursuant to the 1977 federal-provincial fiscal arrangements and the special abatement of 3% in respect of schooling allowances. As already noted, the latter is fully recovered from the Quebec government through payments made by the federal government under various federal-provincial agreements.

In addition to being unlike the other provinces, the Quebec system also differs from the federal system in respect of the lower brackets of taxable income, of personal exemptions and of payments of non-taxable supplementary family allowances, which are made in lieu of the federal adjustments to taxable income for changes in the Consumer Price Index. Most of these differences and the Quebec rate schedule are indicated in Table 3.

Corporation Income Tax

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 levied on the same base as that established for federal corporation income tax purposes and is collected by the federal government pursuant to Tax Collection Agreements. These provinces can, however, modify somewhat the taxable base. Quebec and Ontario, who collect their own tax, follow closely, but not exactly, the federal rules in the determination of corporation taxable income.

Capital Taxes

Four provinces: Quebec, Ontario, Manitoba and British Columbia, levy a tax on the paid-up capital of corporations operating within their boundaries. Paid-up capital broadly includes share capital, surplus, long- and certain short-term debts and reserves except for depreciation, depletion and doubtful debts. In all four provinces, there are special provisions and rates for specified companies, such as telecommunications companies, banks and other financial establishments. Quebec levies, in addition to a capital tax, a tax on places of business,

¹ The basic federal tax is the amount computed according to the graduated rate schedule appearing on page 16.

Gift Taxes and Succession Duties

As of January 1977, only three provinces are still levying and collecting gift taxes and succession duties: Quebec, Ontario and Manitoba. The gift tax is levied on the aggregate taxable value of gifts made by a donor resident in a province as well as a gift of real property situated within a province made by a donor who is not a resident in the province. This tax complements succession duties in the sense that gifts made within a specified period of time prior to death are taken into account for succession duty purposes. The period is five years in

Quebec and Ontario and three years in Manitoba. While tax rates on *inter vivos* gifts are the same in all provinces, succession duty rates as well as criteria used to determine the rates applicable to a succession vary among them. All provinces have special provisions which take into consideration the degree of relationship between the beneficiary and the deceased.

Further details on as well as the currently prevailing rates of capital and gift taxes and succession duties are given in Table 4.

Consumption Taxes

Consumption taxes levied by provincial governments conform to the constitutional limitations requiring that they be not only direct, but that they be exigible only within the province. Although this type of tax is paid by the purchaser, it is collected by the supplier or seller, acting as a government agent, who is generally compensated by a commission on the sales tax collected. The most important of these levies are taxes on retail sales, motive fuels, tobacco, meals, lodging, telephone services and telecommunications.

Retail Sales Tax

All provinces, except Alberta, tax at the retail level a wide range of consumer goods and services purchased in or brought into the province. The tax is payable on the selling price of tangible personal property, defined to include certain services, purchased for own consumption or use and not for resale. Each provincial Act, however, specifies a number of goods that are exempt. Exemptions include items related mainly to necessities of life and to materials used in the farming and fishing industries. Table 5 A gives a list of the main exemptions as well as the prevailing rates in each province.

Motive and Other Fuel Taxes

All provinces and territories impose a tax at a specific rate (i.e., an amount per gallon) on fuels purchased within their boundaries. For purposes of taxation, fuels generally include motive fuels, heating fuel and fuel used for operating a stationary engine. Fuels used in certain types of activities such as farming, fishing, mining or logging are either exempt or are taxed at a preferred rate.

Tobacco Taxes

A tax on sales of cigarettes, cigars and other tobacco products is levied in all provinces and in both

the Yukon and Northwest Territories. Although rates of taxation vary among provinces, they generally apply to a quantity of tobacco products; in a few cases the tax takes the form of an "ad valorem rate" based on the retail price.

Meals and Lodging Tax

Except as noted, all provinces tax prepared meals priced over a fixed amount and transient accommodations. The exemptions are Alberta in both cases and Saskatchewan and British Columbia in the case of meals only. In most provinces, these are taxed under the retail sales tax Acts, except in Quebec where such taxes are levied under the **Meals and Hotels Tax Act** and in British Columbia where the tax on transient accommodations is levied pursuant to the **Hotel and Motel Room Tax Act**.

Telephone and Telecommunications

All provinces tax local telephone services under their retail sales tax Act. In most cases, long distance telephone calls and other means of telecommunication are also taxed under the retail sales tax Acts. In Quebec and Nova Scotia, however, these services are taxed under the **Telecommunications Tax Act** and under the **Corporation Tax Act** respectively. There is no tax on long distance telephone calls and telecommunications in Alberta.

Taxes on Alcoholic Beverages

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 agencies are tantamount to taxation. The markups are not publicized and thus are not reported in this publi-

cation.² In certain provinces beer and/or wine are sold by private retailers as well as by liquor board or commission outlets. In the case of private retailers, licence and other fees are substituted for government markups.

In addition to the markups, sales to individuals are subject to the retail sales tax in most provinces. Generally the rates applicable are those prevailing for general retail sales, but in Ontario and Manitoba special rates apply. Licensees, i.e., owners of establishments

where alcoholic beverages can be sold for on-premises consumption, do not pay the sales tax on their purchases, but act as collecting agents for the tax paid by the purchaser. In Quebec, this latter tax is levied under the **Meals Tax Act**. The Yukon Territory imposes a surcharge on all liquor purchased at a government liquor store.

Rates of and details on the above-described consumption taxes, other than the general sales tax, are given in Table 5 B.

Miscellaneous Provincial Levies

Provincial governments resort to a variety of levies related to the exploitation of natural resources within their boundaries, to motor vehicle driving and registration, to admissions to places of amusement and to racetrack bettings. Ontario, Alberta, British Columbia and the Yukon Territory levy premiums and Quebec, a flat rate personal income tax and a payroll tax, to help finance their hospitalization and medical care programs.

Five provinces (Prince Edward Island, New Brunswick, Nova Scotia, Ontario and British Columbia) levy real property taxes. In Prince Edward Island and New Brunswick, where services formerly carried out by municipal authorities (education, health, welfare and administration of justice) were taken over by provincial governments, the real property tax field is shared by

provincial and municipal governments. The provincial governments levy a flat rate real property tax on a province-wide basis and each municipality has its own separate rate as required to meet its expenditure. All collections, however, are made by the provinces which remit the municipal share to individual municipalities. Nova Scotia levies a "land tax" of limited application. In unorganized (non-municipal) areas, Ontario imposes a property tax on the assessed value of any land and fixes a minimum annual amount. British Columbia levies and collects a provincial property tax in non-municipally organized areas at rates varying between farm and wild land.

Details on most of the above-mentioned levies are shown in Table 6.

1977 Changes in Provincial Taxes

1. Personal Income Tax

As previously indicated in this publication, a net additional tax transfer of 9.143% of basic federal tax was granted to the provinces pursuant to the **Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977**. As a result, most increases in provincial personal income tax rates are determined so as to take full advantage of the larger portion of the income tax field made available to the provincial governments. It should be noted, however, that the higher rates do not necessarily entail an increase of the same magnitude in provincial income tax payable since

these rates are expressed as percentages of a reduced basic federal tax. The rate equivalent to the former provincial tax room of 30.5% has been estimated at about 44%. The following provincial rates are expressed as a percentage of the basic federal tax.

- (a) **Newfoundland** - The conversion to the new rate was set a 56.5% as of January 1, 1977. However this rate was increased to 58.0% on July 1, 1977. Consequently the average tax rate for 1977 is 57.25%, compared with 41% in 1976.
- (b) **Prince Edward Island** - The rate will raise to 50%, effective January 1, 1977 compared with 36% in 1976.

² 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 62-202.

- (c) **Nova Scotia** – By taking up the federal tax room made available, the rate is increased to 52.5% (38.5% in 1976).
- (d) **New Brunswick** – The new provincial rate of 55.5% takes effect on January 1, 1977 as opposed to 40.67% in 1976.
- (e) **Ontario** – The tax rate is adjusted to 44% for 1977, compared with 30.5% in 1976. The taxable income level below which no Ontario tax is payable is increased from \$1,534 to \$1,680 for 1977 and subsequent taxation years.
- (f) **Manitoba** – As of January 1, 1977 the rate is increased from 42.5% in 1976 to 56%. The minimum property tax credit is increased from \$200 to \$225 and the maximum credit, from \$350 to \$375. All provincial income tax is eliminated for taxpayers who pay no federal tax and the cost of living tax credit for families of at least four persons is increased from \$142 to \$154, i.e., by 8.5%.
- (g) **Saskatchewan** – A tax increase from 40% to 45% was announced late in 1976 applicable to the 1977 taxation year. However, this rate was subsequently revised to 58.5%. The across-the-board tax reduction is raised from \$100 to \$120 for 1977. All provincial income tax is eliminated for taxpayers with less than \$1,709 of taxable income.
- (h) **Alberta** – The revised rate for 1977 taxation year is 38.5%, compared with 26% in 1976.
- (i) **British Columbia** – The revised rate is set at 46%, effective for the 1977 taxation year (31.5% in 1976).
- (j) **Quebec** – The federal income tax abatement granted to Quebec taxpayers is lowered from 24% to 16.5% to take into account a proportionate reduction in basic federal tax. The rate schedule remains the same as in 1976.

2. Corporation Income Tax

- (a) **New Brunswick** – Corporate tax on small businesses was lowered to 9% from 10% effective January 1, 1977. The rate for large businesses was raised from 10% to 12% effective the same date.
- (b) **Saskatchewan** – Effective January 1, 1977 businesses that are eligible for the federal "small business deduction" will be taxed at a rate of 12% and those which do not qualify, at a rate of 14%.

3. Capital Tax

Ontario – The rate of capital tax is increased from 1/5 of 1% to 3/10 of 1% for large corporations and from 2/5 of 1% to 3/5 of 1% for banks. A tax of \$50 will apply to small corporations with taxable paid-up capital of up to \$50,000 and of \$100, to corporations with taxable paid-up capital of \$50,000 to \$100,000 at the close of their fiscal year. These changes apply to corporations with fiscal years ending after April 19, 1977.

4. Gift Tax

- (a) **Ontario** – The basic exemption is raised from \$5,000 to \$10,000 for the taxation year 1977 and the annual total of exempt gifts per donor is increased to \$50,000 from \$25,000. These changes are effective in 1977 and subsequent years.
- (b) **Manitoba** – Exemptions for individual gifts are increased from \$2,000 to \$5,000 for preferred beneficiaries other than spouses and from \$5,000 to \$6,000 for spouses. The maximum total exemption is increased from \$15,000 to \$25,000.
- (c) **Saskatchewan** – The gift tax is eliminated as of January 1, 1977.
- (d) **British Columbia** – The gift tax is repealed as of January 25, 1977.

5. Succession Duties

- (a) **Quebec** – The policy of phasing out succession duties has been delayed. Estates opened after December 31, 1977 are therefore still subject to a duty of 20%.
- (b) **Ontario** – The duty-free threshold for estates is raised from \$250,000 to \$300,000 and the capital gains tax paid at death becomes a succession duty tax credit effective with respect of deaths occurring after April 20, 1977.
- (c) **Manitoba** – The following amendments are brought to this tax effective April 22, 1977: the share of marital assets of a surviving spouse is exempt from succession duty; the preferred exemption is increased from \$200,000 to \$250,000; the floor below which no estate is taxable is increased from \$50,000 to \$75,000; the collateral exemption is increased from \$25,000 to \$35,000 and is extended for siblings (brothers and sisters of the deceased) from \$25,000 to \$100,000.

- (d) Saskatchewan — The succession duty is repealed effective January 1, 1977.
- (e) British Columbia — The succession duty is eliminated as of January 25, 1977.

6. General Retail Sales Tax

- (a) Newfoundland — Meals of less than \$3.00 per person are exempt from sales tax. Mobile homes will be taxable at 50% of their sales value rather than 100%. Insulation materials are exempt from retail sales tax. All these changes took effect on April 28, 1977.
- (b) Nova Scotia — Thermal insulation materials were added to the list of exemptions on August 30, 1976.
- (c) New Brunswick — The basic sales tax exemption is increased from \$0.11 to \$0.25 as of March 15, 1977.
- (d) Quebec — New residential mobile homes are exempt from 50% of the sale price and used residential mobile homes are entirely exempt. The sale or rental of tools used for the production of moveable goods intended for sale also become exempt from the retail sales tax. The exemption for children's clothing and shoes is abolished. A 2% sales tax is levied on the sale of radio or television broadcasting services used for publicity. All the above changes are effective April 13, 1977.
- (e) Ontario — The exemption for prepared meals was increased from \$5.00 to \$6.00 on April 20, 1977. Effective the same date disposable items purchased by the accommodation industry for use in guest rooms are exempt from taxation. The exemption list for energy conservation material and equipment is extended to include a greater range of articles. Effective April 20, 1977, the exemption on the price of admission to places of amusement is increased from \$0.75 to \$3.00.
- (f) Manitoba — Insulation materials used in residential construction is exempt effective April 23, 1977.
- (g) British Columbia — Steel granaries purchased by farmers for storing grain on their farms are exempt from taxation as of 1977.

7. Motive and Other Fuel Taxes

- (a) Saskatchewan — The following changes took effect March 11, 1977: the tax on gasoline is increased

from \$0.15 to \$0.19 per gallon, on diesel fuel from \$0.21 to \$0.266 per gallon and on fuel used for off-highway purposes from \$0.04 to \$0.06 per gallon.

- (b) British Columbia — The taxation of propane used for residential heating has been changed from the **Social Services Tax Act** to the **Fuel-Oil Tax Act** effective January 25, 1977. This reduces the tax payable from 7% on the selling price to 1/2 of \$0.01 per gallon.

8. Tobacco Taxes

- (a) Newfoundland — Effective April 28, 1977 the tax on cigarettes is increased from \$0.01 to \$0.012 per cigarette.
- (b) Nova Scotia — The tax on cigarettes is increased from \$0.005 to \$0.006 per cigarette effective March 30, 1977. The tax on cigars and other tobacco products is increased from 10% to 15% as of the same date.
- (c) Ontario — The tax on cigarettes is increased from .71 of \$0.01 for each cigarette to .96 of \$0.01 for each cigarette effective June 28, 1977. The tax rate for cut and other tobacco products is increased from \$0.02 per 1/2 ounce to \$0.05 per 1/2 ounce on the same date. Tobacco tax on cigars is also increased as follows:

Retail price	New tax rates
\$0.01 to \$0.07	\$0.02 each
0.07 to 0.10	\$0.04 each
More than \$0.10.	an additional \$0.02 for each \$0.05 or part thereof of retail price.

- (d) Saskatchewan — The tax on cigarettes is increased to 4/5 of \$0.01 per cigarette from 3/5 of \$0.01; the tax on other tobacco, from \$0.02 per 1/2 ounce to \$0.04, as of March 11, 1977. Also on the same date, the tax on cigars is increased as follows:

Cigar value	Tax increases
Up to \$0.10	from \$0.01 to \$0.02
\$0.11 to \$0.20	from 0.02 to 0.04
Over \$0.20	from 0.04 to 0.08

- (e) **British Columbia** — During March 1976, the tax on cigars was increased as follows

Retail price	New tax rates
\$0.05 of less	\$0.01 each
0.06 to \$0.09	0.02 "
0.10 to 0.13	0.03 "
0.14 to 0.17	0.04 "
0.18 to 0.25	0.06 "
0.26 to 0.33	0.08 "
0.34 to 0.41	0.10 "
0.42 to 0.49	0.12 "
Over \$0.49	0.15 "

The tax on other tobacco products per 1/2 ounce increased from \$0.02 to \$0.03.

9. Meals and Lodging Tax

Quebec — The tax on meals was increased from 8% to 10% on April 13, 1977. Effective the same date the exemption for meals passed from \$2.00 to \$3.25.

10. Insurance Premium Taxes

Newfoundland — The premium tax increased to 10% from 7% as of April 28, 1977.

11. Motor Vehicle Registration and Driving Permits

- (a) **Quebec** — Effective July 1, 1977 all drivers permits are raised to \$60.00 per year from \$3.00 per year, learner's permits from \$1.00 to \$3.00 and snowmobile driving permits, from \$2.50 to \$5.00. Motor vehicle registration duties will be as follows for the 1978 registration year:

- (i) For passenger motor vehicles and others defined as such in the **Highway Code**, duties will be per 100 pounds instead of per pound and the weight will be rounded to the nearest 100.

- (ii) Commercial vehicles will be registered to the gross vehicle weight required by the user and the duty rates will be as follows:

1 to 5,000 lb.:	\$40
5,001 to 10,000 lb.:	\$10 per 1,000 lb. above 5,000 lb.
10,001 to 20,000 lb.:	\$11 per 1,000 lb. above 10,000 lb.
20,001 to 60,000 lb.:	\$12 per 1,000 lb. above 20,000 lb.
60,001 lb. and over:	\$16 per 1,000 lb. above 60,000 lb.

However, duties to be paid shall not exceed 133 1/3% of the duties payable under the system prevailing in 1977 in the first year (i.e., 1978), and 166 2/3% in the second year.

- (iii) Public and private transport buses will be registered according to their gross weight, i.e., the net weight of the vehicle plus 135 pounds per seat.

- (iv) In addition, municipalities will be allowed to levy municipal registration fees on pleasure or other such vehicles equivalent to 30% of the provincial fees on the vehicle concerned.

- (b) **Ontario** — All the following changes are to take effect for the 1978 registration year.

Passenger car fees for Southern Ontario are increased as follows:

- (i) 4 cylinders or less — from \$23 to \$30
6 cylinders — from \$32 to \$45
8 cylinders or more — from \$40 to \$60

- (ii) Registration fee for passenger cars registered for the first time and equipped with an engine having a displacement in excess of 6 500 cubic centimeters (397 cubic inches) will be \$80.

- (iii) Commercial vehicle registration fees in both Northern and Southern Ontario are increased from \$33 to \$60 for weights up to 5,000 lb. and from \$2,021 to \$2,227 for weights between 139,501 and 140,000 lb.

- (iv) Fees in Northern Ontario will be reduced to a flat amount of \$10 for all passenger cars.

- (c) **Manitoba** — As indicated last year, the basis of registration of passenger vehicles was changed from wheel base to curb weight. For 1978 rates will be \$1.00 per 100 lb. up to 4,000 lb. and from \$4 to \$10 per 100 lb. over 4,000 lb. Minimum \$15. The rate for commercial vehicles will range from \$18 (up to 6,000 lb.) to \$733 (109,001 - 110,000 lb.).

- (d) **Northwest Territories** — The rate for the Mackenzie Highway System increased from \$15 to \$20 for passenger vehicles and the range for the first 10,000 pounds increased by \$5 for commercial vehicles.

12. Environmental Tax

Ontario — A tax of \$0.05 on each canned carbonated soft drink was announced to take effect on August 1, 1977. However, the implementation of this tax was postponed to the fall.

13. Land Transfer Tax

Ontario — The 20% tax rate on non-residents will not apply to conveyances of land after April 20, 1977 which are zoned or assessed commercial or industrial.

14. Racetrack Entrance Fees

Quebec — The provincial government has relinquished racetrack entrance fees to municipalities.

15. Electric Energy Royalties

Quebec — The royalties, in addition to rental fees, that holders of hydraulic power in the public domain have to pay is increased, as of May 1, 1977, from \$0.15 to \$0.50 per 1,000 kilowatt-hour of electricity generated. The exemption for owners and holders of hydraulic power with an output of less than 10,000 horsepower per six months is removed. Royalties will be indexed annually in accordance with the increase of Hydro-Quebec's average revenue per kilowatt-hour of electricity subscribed to by the industrial sector during the preceding year. Further, the deduction of school tax

paid from the royalties before remittance to the province ceases to be allowed.

16. Hospitalization and Medical Care Premiums

- (a) **Ontario** — Full coverage by the province of premiums in respect of welfare recipients and persons aged 65 and over was extended, as of May 1, 1976, to include single taxpayers with taxable income not exceeding \$1,534 and families whose taxable income does not exceed \$2,000. In addition, 50% of premiums is being paid by the province in respect of taxable incomes between \$1,534 and \$2,000 for single persons and between \$2,000 and \$3,000 for families.
- (b) **Alberta** — Effective April 1, 1977, health care insurance annual premiums increased by 10%, i.e., from \$76.80 to \$84.60 for single persons and from \$153.60 to \$169.20 for persons with dependants.

The above-listed changes in provincial taxes are incorporated in Tables 3 to 6. Modifications in most of these taxes can be traced over a six-year period in the historical tables included in Part IV. It should be noted that, contrary to previous years' issue, the historical tables referred to above cover a six-year period instead of a 10-year period. For a longer time span, the reader may refer to prior years' issues.

TABLE 3. Income 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; R.S.N. 1970, c. 163.	The Income Tax Act; R.S.P.E.I. 1974, c. 1-1 and amendments.	The Income Tax Act; R.S.N.S. 1967, c. 134 and amendments.	The Income Tax Act; R.S.N.B. 1973, c. 1-2.	The Taxation Act; S.Q. 1972, c. 23 and amendments.
2	Basis	Basic federal tax.	Basic federal tax.	Basic federal tax.	Basic federal tax.	Taxable income of individuals.
3	Rate	58.0% ¹ (July 1, 1977)	50%	52.5%	55.5%	0% on first \$2,000 of taxable income 0 on \$ 2,000 plus 16% on next \$ 7,000 \$ 1,120 " 9,000 " 18% " " 2,000 1,480 " 11,000 " 20% " " 3,000 2,080 " 14,000 " 22% " " 10,000 4,280 " 24,000 " 24% " " 15,000 7,880 " 39,000 " 26% " " 21,000 13,340 " 60,000 " 28% on excess
4	Comments.	—	—	—	—	Personal exemptions: Married taxpayer \$3,500 Single taxpayer 1,600 Dependant child non-eligible for family allowances 550 Members of religious order 1,900 Taxpayer aged 65 years or over 1,000
Corporation income tax						
5	Statutory authority . .	The Income Tax Act; R.S.N. 1970, c. 163.	The Income Tax Act; R.S.P.E.I. 1974, c. 1-1 and amendments.	The Income Tax Act; R.S.N.S. 1967, c. 134 and amendments.	The Income Tax Act; R.S.N.B. 1973, c. 1-2.	The Taxation Act; S.Q. 1972, c. 23 and amendments.
6	Basis	Taxable income earned in the province.	Taxable income earned in the province.	Taxable income earned in the province.	Taxable income earned in the province.	Taxable income earned in the province.
7	Rate	14%	10%	12%	12%/9%	12%
8	Comments.	—	—	—	The 9% rate is applicable to small businesses.	—

¹ The effective rate over the 1977 taxation year will be 57.25%.

TABLE 3. Income Taxes Levied by Provincial Governments

Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	No.
The Income Tax Act; R.S.O. 1993, c. 217 and amendments.	The Income Tax Act (Manitoba); R.S.M. 1970, c. 1-10 and amendments.	The Income Tax Act; R.S.S. 1965, c. 62 and amendments.	The Alberta Income Tax Act; R.S.A. 1970, c. 182 and amendments.	The Income Tax Act; S.B.C. 1962, c. 27 and amendments.	1
Basic federal tax.	Basic federal tax.	Basic federal tax.	Basic federal tax.	Basic federal tax.	2
44%	56%	58.5%	38.5%	46%	3
<p>A tax credit which is the aggregate of:</p> <p>(a) Property tax credit (lesser of \$180 or occupancy cost, plus 10% of occupancy cost).</p> <p>(b) Sales tax credit (1% of personal exemptions).</p> <p>(c) Pensioner tax credit (\$110 for each person age 65 or over).</p> <p>Less 2% of taxable income.</p> <p>(Maximum credit of \$500.)</p> <p>Individuals whose Ontario income tax does not exceed \$61 are exempt.</p> <p>Taxpayers with taxable incomes of \$1,680 or less are exempt from provincial tax.</p>	<p>Surtax of 20% on provincial income tax exceeding \$2,120.</p> <p>A property tax credit which is the lesser of:</p> <p>(a) \$375 less 1% of taxable income (minimum \$225).</p> <p>(b) Total property taxes or 20% of total rental payments.</p> <p>A cost of living tax credit which is: 3% of personal exemptions less 1% of taxable income; \$154 for families of four persons or less.</p> <p>Taxfilers who pay no federal tax are exempt.</p>	<p>Surtax of 10% on provincial income tax in excess of \$2,000.</p> <p>A tax reduction which is the lesser of the tax payable or \$120.</p> <p>Taxpayer with taxable incomes of \$1,709 or less are exempt from provincial tax.</p>	<p>A renter credit which is:</p> <p>(a) \$90 plus 2% of total rent payments less 1/2 of 1% of taxable income.</p> <p>(b) 20% of rent paid less 1/2 of 1% of taxable income, when the total rent is less than \$500.</p> <p>The minimum credit is the lesser of \$50 or 20% of total rent paid.</p> <p>A reduction of the lesser of provincial tax payable or \$80 minus 2% of taxable income, when taxable income is below \$4,000.</p>	<p>A renter credit of \$100 minus 1% of taxable income, for individuals with gross income under \$15,000.</p> <p>Maximum credit 10% of annual rent.</p> <p>Minimum credit \$80 for senior citizens.</p> <p>Taxpayers with taxable incomes of \$1,678 or less are exempt from provincial tax.</p>	4
The Corporations Tax Act; S.O. 1972, c. 143 and amendments.	The Income Tax Act (Manitoba); R.S.M. 1970, c. 1-10 and amendments.	The Income Tax Act; R.S.S. 1965, c. 62 and amendments.	The Alberta Income Tax Act; R.S.A. 1970, c. 182 and amendments.	The Income Tax Act; S.B.C. 1962, c. 27 and amendments.	5
Taxable income earned in the province.	Taxable income earned in the province.	Taxable income earned in the province.	Taxable income earned in the province.	Taxable income earned in the province.	6
13%/9%	15%/13%	14%/12%	11%	15%/12%	7
The 9% rate is applicable to small businesses.	The 13% rate is applicable to small businesses.	The 12% rate is applicable to small businesses.	—	The 12% rate is applicable to small businesses.	8
		Portion of tax dependant on the inclusion in the tax base of royalties paid by producers of petroleum, natural gas, metal and industrial mineral is refundable.	Portion of tax dependant on the inclusion in the tax base of royalties paid by producers of petroleum, natural gas, metal and industrial mineral is refundable.	Portion of tax dependant on the inclusion in the tax base of royalties paid by producers of petroleum, natural gas, metal and industrial mineral is refundable.	

TABLE 4. Capital and Gift Taxes and Succession Duties

No.	Category	New-found-land	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario
Capital tax							
1	Statutory authority	-	-	-	-	The Taxation Act; S.Q. 1972, c. 23 and amendments.	The Corporations Tax Act; S.O. 1972, c. 143 and amendments.
2	Basis	-	-	-	-	(a) Paid-up capital of corporations. (b) Places of business in province. (c) Inoperative corporations.	Paid-up capital of corporations.
3	Rates	-	-	-	-	(a) 1/5 of 1%. (b) \$50 (\$25 when paid-up capital is less than \$25,000). (c) \$20.	3/10 of 1%.
4	Comments	-	-	-	-	Other rates and/or bases of taxation apply to certain classes of corporations, i.e., banks, loans, telegraph, railway, gasoline, liquor, investment, mining. A special tax in the form of an additional 1/3 of 1% is levied on telephone and oil refining corporations paid-up capital.	\$50 when paid up capital does not exceed \$50,000. \$100 when paid up capital is greater than \$50,000 but less than or equal to \$100,000. 3/5 of 1% for banks.
Gift tax							
5	Statutory authority	-	-	-	-	The Taxation Act; S.Q. 1972, c. 23 and amendments.	The Gift Tax Act; S.O. 1972, c. 12 and amendments.
6	Basis	-	-	-	-	Aggregate taxable value of gifts made in the year.	Aggregate taxable value of gifts made in the year.
7	Rates	-	-	-	-	15% on the first \$25,000 \$ 3,750 on \$ 25,000 plus 20% on next \$25,000 8,750 " 50,000 " 25% " " 25,000 15,000 " 75,000 " 30% " " 25,000 22,500 " 100,000 " 35% " " 25,000 31,250 " 125,000 " 40% " " 25,000 41,250 " 150,000 " 45% " " 50,000 63,750 " 200,000 " 50% on remainder	15% on the first \$25,000 \$ 3,750 on \$ 25,000 plus 20% on next \$25,000 8,750 " 50,000 " 25% " " 25,000 15,000 " 75,000 " 30% " " 25,000 22,500 " 100,000 " 35% " " 25,000 31,250 " 125,000 " 40% " " 25,000 41,250 " 150,000 " 45% " " 50,000 63,750 " 200,000 " 50% on remainder
8	Exemptions	-	-	-	-	Testamentary gifts and gifts taking effect on the death of the donor. Gifts to Canadian charitable organizations or to any government in Canada. Gifts up to \$15,000 a year to a spouse. Gifts up to \$3,000 a year to any other donee with an aggregate annual maximum of \$15,000. Once-in-a-lifetime deduction of \$75,000 for any farmer making an <i>inter vivos</i> gift of his land or other farm property to one or more of his children.	Testamentary gifts and gifts taking effect on the death of the donor. Gifts to Canadian charitable organizations or to any government in Canada. All gifts to a spouse without limitation as to amount. Gifts up to \$10,000 year to any other donee with an aggregate annual maximum of \$50,000. Exemption of \$75,000 for a gift of farming assets or the shares of a Canadian family-owned small active business corporation.
9	Comments	-	-	-	-	-	-
Succession duties							
10	Statutory authority	-	-	-	-	The Succession Duties act; R.S.Q. 1964, c. 70 and amendments.	The Succession Duty Act; R.S.O. 1970, C. 449 and amendments.
11	Basis	-	-	-	-	(a) Aggregate value of succession. (b) Share of each individual's inheritance.	(a) Aggregate value of succession. (b) Share of each individual's inheritance.
12	Rates	-	-	-	-	(a) On estate: Direct line - 5% to 15%. Collateral line - 4% to 20%. Strangers - 10% to 30%. (b) On individual's share in estate: Direct line - 1% to 10%. Collateral line - 1% to 10%. Strangers - 2% to 5%. (80% deduction on duties otherwise payable.)	(a) On estate: Preferred line - 11% to 28%. Collateral line - 24% to 34%. Strangers - 35% to 70%. (b) On individual's share in estate: Preferred line - 6.5% to 30%. Collateral line - 8.5% to 26%. Strangers - Nil.
13	Exemptions	-	-	-	-	\$150,000 if estate is transmitted to direct line beneficiary. \$10,000 if estate is transmitted to collaterals or strangers. Amounts derived from contributions towards a pension plan and reimbursements of contributions toward such a plan. Bequests to Canadian charitable organizations. \$1,000 if transmitted to employee of deceased.	Estates valued at \$300,000 or less. Estates passing to a surviving spouse. An additional \$3,000 for each full year that a dependant 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. Duty imposed on certain farming assets and shares of corporations that qualify for a small business deduction are forgiven over a period of 10 years. Bequests to Canadian charitable organizations and to the governments of Canada or the province. Individual bequests of \$500 or less. Employees of deceased \$1,000.
14	Comments	-	-	-	-	Total rate applied to the individual's share is the sum of (a) and (b).	The total rate applied to the individual's share is the sum of (a) and (b).

TABLE 4. Capital and Gift Taxes and Succession Duties

Manitoba	Saskatchewan	Alberta	British Columbia	No.
The Corporation Capital Tax Act; S.M. 1976 c. 68.	-	-	The Corporation Capital Tax Act; S.B.C. 1973, c. 24 and amendments.	1
Paid-up capital of corporations.	-	-	Paid-up capital of corporations.	2
1/5 of 1%.	-	-	1/5 of 1%.	3
Exemptions include: corporations with paid-up capital under \$100,000; cooperatives, credit unions, family farms and charitable corporations.	-	-	Exemptions include: corporations with paid-up capital under \$100,000; corporations exempt under the Income Tax Act (Canada); credit unions, cooperatives and family farms.	4
The Gift Tax Act; S.M. 1972, c. C-55 and amendments.	-	-	-	5
Aggregate taxable value of gifts made in the year.	-	-	-	6
13% on the first \$25,000	-	-	-	7
\$ 2,750 on \$ 25,000 plus 20% on next \$25,000	-	-	-	
8,750 " 50,000 " 25% " " 25,000	-	-	-	
18,000 " 75,000 " 30% " " 25,000	-	-	-	
22,500 " 100,000 " 35% " " 25,000	-	-	-	
31,250 " 125,000 " 40% " " 25,000	-	-	-	
41,250 " 150,000 " 45% " " 50,000	-	-	-	
62,750 " 200,000 " 50% on remainder	-	-	-	
Transitory gifts and gifts taking effect on the death of the donor.	-	-	-	8
Gifts to Canadian charitable organizations or to any government in Canada.	-	-	-	
Gifts up to \$6,000 a year to a spouse and up to \$5,000 a year to any other donee with an aggregate annual maximum of \$25,000.	-	-	-	
-	-	-	-	9
The Succession Duty Act; S.M. 1972, c. S-115 and amendments.	-	-	-	10
Aggregate value of succession.	-	-	-	11
On individual's share in estate: Preferred line - 14% to 50% Collateral line - 14% to 50% Strangers - 14% to 50%	-	-	-	12
Estate valued at \$75,000 or less.	-	-	-	13
\$250,000 if estate is transmitted to preferred successors.	-	-	-	
\$50,000 special exemption for spouse.	-	-	-	
Share of marital assets of surviving spouse.	-	-	-	
An additional \$1,000 for each year that an infirm child is under 71 years of age.	-	-	-	
Up to \$35,000 for collateral successors to the extent that the \$250,000 preferred successors exemption has not been fully "used up".	-	-	-	
\$100,000 collateral exemption for siblings.	-	-	-	
Charitable bequest - up to 20% of the aggregate value of property passing at death or any unused portion of the \$250,000 preferred successors exemption.	-	-	-	
Bequests to Canadian charitable organizations and to any governments in Canada.	-	-	-	
Survivor benefits under the Canada and Quebec Pension Plans.	-	-	-	
Individual bequests of \$1,000 or less.	-	-	-	
The rate schedule is incremental therefore the effective rate of tax is less than the maximum marginal rate at each level of taxable inheritance.	-	-	-	14

TABLE 5 A. General Retail Sale Taxes Levied by Provincial Governments

No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
1	Statutory authority	Retail Sales Tax Act; S.N. 1972, c. 56 and amendments.	The Revenue Tax Act; R.S.P.E.I. 1974, c. R-14 and amendments.	Health Services Tax Act; R.S.N.S. 1967, c. 126 and amendments.	Social Services and Education Tax Act; R.S.N.B. 1973, c. S-10.	Retail Sales Tax Act; R.S.Q. 1964, c. 71 and amendments.
2	Basis	Purchase price of tangible personal property and service.	Purchase price of consumer's goods bought in or brought into the province.	Purchase price of tangible personal property.	Purchase price of tangible personal property.	Purchase price and rent of movable property.
3	Rate	10%	8%	8%	8%	8%
4	Taxable services	Accommodation; telephone; telecommunication; electricity; natural and manufactured gas; construction or rental of tangible personal property; repairs of real or personal property; dry cleaning.	Accommodation; telephone and telecommunication services; repair and installation labour; dry cleaning services.	Transient accommodation; telephone service; electricity.	Accommodation; telephone and telecommunication services; repairs.	Telephone, gas, electricity; repairs.
5	Main exemptions: Food	Food, hospital prepared meals; natural water; prepared meals (\$3 or less).	Food and food products for human consumption (except confections); prepared meals (\$2 or less); soft drinks; natural water.	Food and food products for human consumption (except confections and soft drinks); prepared meals (\$3 or less); natural water.	Food and food products for human consumption (except confections and soft drinks); prepared meals (\$2 or less); natural water.	Foodstuffs (except candies and soft drinks); beer; weak cider; natural water; prepared meals (\$3.25 or less).
6	Clothing	Clothing and footwear.	Clothing including fabrics and accessories; footwear.	Clothing and footwear.	Clothing and footwear.	-
7	Farming	Repairs to tractors; farm equipment and machinery; livestock or livestock products; plants; feed; seed; fertilizer; chemical controls.	Farm implements; machinery and supplies; livestock; plants; feed; seed; fertilizer; chemical controls.	Farm implements; machinery and supplies; plants; feed; seed; fertilizer; chemical controls; drainage tiles.	Farm implements; machinery and supplies; plants; feed; seed; fertilizer; chemical controls; drainage tiles.	Farmers merchandise; farm implements; machinery and supplies; feed; seed; fertilizer; chemical controls; drainage tiles.
8	Commercial fishing	Boats; equipment; apparatus and supplies; vessels (not exceeding 300 tons gross).	Boats; equipment and apparatus.	Boats; equipment and apparatus.	Boats; equipment and apparatus.	Boats; equipment and apparatus.
9	Fuel	Gasoline; wood; furnace fuel; stove oil; fuel oil, gas and coal for manufacturing electricity.	Gasoline; coal; coke; diesel fuel; stove oil; fuel oil; firewood; electricity; natural and manufactured gas.	Gasoline; coke; coal; fuel oil; natural and propane gas; firewood.	Gasoline and fuel oil; coal; coke; firewood; electricity; natural and manufactured gas.	Gasoline; kerosene and fuel oil; coal; firewood; propane gas for manufacturing.
10	Health	Medicaments on prescription; X-ray pictures and plates on prescription or health appliances.	Medicaments; health appliances; household cleaning and first aid supplies; hygienic supplies.	Medicaments; health appliances; toothpaste; baby's needs; personal hygiene supplies.	Drugs and medicaments on doctor's prescription; health appliances.	Medicaments on doctor's prescription; health appliances.
11	Educational and published materials	Text books; school books and newspapers published within the province.	Classroom supplies; certain books and periodicals.	School supplies; certain books and periodicals.	Classroom supplies; certain books, periodicals; microfilm; photocopy.	Classroom supplies and printed books and periodicals.
12	Production, machinery and processing material	Certain companies purchase of machinery, equipment, plant and material.	Machinery, apparatus, goods for manufacture; clay; sand; gravel; unfinished stone.	Machinery, apparatus; materials; clay; sand; gravel and unfinished stone. Anti-pollution equipment and devices.	Machinery, apparatus and parts; ingredients; clay; sand; gravel and unfinished stone; telephone equipment; certain building material.	Sale or rental of tools used to produce moveable goods intended for sale.
13	Transportation equipment	Certain aircraft; vessels of more than 300 tons gross; railway rolling stock; motor vehicles under specific conditions.	Certain commercial vessels or boats.	Certain boats; aircraft; railway rolling stock; Indians' motor vehicles and snowmobiles.	Certain boats; aircraft and railway rolling stock.	-
14	Miscellaneous	Sales under \$0.20. Certain household goods and equipment; securities; Olympic coins; containers; trailers for residence in Labrador; certain companies purchase, ships' stores; insulation materials.	Sales under \$0.26; funeral caskets; ships' stores; tobacco; settlers' effects; pets; insulating materials; storm windows and doors; alternate energy sources.	Sales under \$0.25 (other than cigarettes and cigars); funeral caskets; settlers' effects; Olympic coins; ships' store; certain explosives; thermal insulation materials.	Sales under \$0.25; tobacco; funeral caskets; certain explosives; ships' stores; settlers' effects; laundry and dry-cleaning services.	Sales under \$0.26; securities; money; tobacco; admissions; fares on transportation systems; certain Indians' purchases.
15	Comments	Mobile homes are taxed on 50% of the sale price.	Liquor purchased through liquor commissions is taxed under the Health Tax Act (see Table 5 B).	-	Special rate of 2% for mobile homes.	New residential mobile homes are taxed on 50% of the sale price and used units are exempt; special rate of 2% on sale of radio or television broadcasting services used for publicity.

TABLE 5 A. General Retail Sale Taxes Levied by Provincial Governments

Ontario	Manitoba	Saskatchewan	British Columbia	No.
The Retail Sales Tax Act; R.S.O. 1970, c. 415 and amendments.	The Revenue Tax Act; R.S.M. 1970, c. R150.	The Education and Health Tax Act; R.S.S. 1965, c. 66 and amendments.	The Social Services Tax Act; R.S.B.C. 1960, c. 361 and amendments.	1
Purchase price of tangible personal property and taxable service.	Purchase price of tangible personal property or service.	Purchase price of tangible personal property or taxable service.	Purchase price of tangible personal property or service.	2
7% Transient accommodation; telephone service including long distance; telegraph; natural and manufactured gas; fixtures rented separately from real property.	5% Accommodation; telephone (over \$0.45) and other telecommunications; repairing and cleaning; certain printing, photocopying and microfilming.	5% Lodging; telephone (over \$0.49) and other telecommunications; electricity; gas (used in internal combustion engine).	7% Telephone, electricity; natural or manufactured gas.	3
Food products for human consumption (except confections and soft drinks); prepared meals (\$6 or less); natural water, liquor, beer or wine for special occasions.	Food and drink for human consumption (except liquor); prepared meals (\$3 or less); natural water.	Prepared meals; natural water.	Food products for human consumption; prepared meals; confections; soft drinks; draught beer, natural water.	5
Footwear (less than \$30); children's clothing; used clothing and footwear (under \$50).	Children's clothing and footwear; used clothing (less than \$25); used footwear (less than \$5 repair to footwear).	—	Children's clothing and footwear; used clothing and footwear.	6
Agricultural products including livestock; farm equipment, implements and supplies; plants; feed; seed; fertilizer; chemical controls.	Farm horses; farm implements; machinery and parts; plants; feed; seed; fertilizer; chemical controls.	Agricultural products including livestock; farm machinery, implements and supplies; plants; feed; seed; fertilizer; grain; chemical controls.	Farm implements; machinery, parts, supplies; livestock; plants; feed; seed; fertilizer; grain; chemical controls; steel granaries.	7
Boats, equipment and apparatus.	Boats; equipment and apparatus.	Equipment.	Boats; equipment and apparatus.	8
Fuel, gasoline; coal; coke; wood; natural gas; electricity.	Certain gasoline; motive fuel; natural or manufactured gas; coal; wood.	Fuel, petroleum products; liquefied gases for heating; coal; wood; domestic fuel oil; electricity for heating.	Gasoline; coal; coke; fuel oil; motive fuel; wood fuel.	9
Drugs and medicine on prescription; health appliances and personal hygiene items; household cleaning items.	Drugs and medicaments; health appliances; personal hygiene items.	Certain drugs and medicines; health appliances; dentures.	Medicaments on prescription; health appliances.	10
Classroom and student supplies; certain books; periodicals.	Books, newspapers and periodicals.	Books, newspapers and periodicals; certain phonograph records; bibles, etc.	School supplies; certain books; periodicals.	11
Processing materials and physical ingredients; soil; clay; sand; gravel and unfinished stone; capital works of municipality; production and construction equipment under certain conditions.	Goods for manufacture.	Goods for manufacture; clay; earth.	Goods for manufacture.	12
Certain aircrafts and buses; vessels of more than 500 tons; railway rolling stock; street flushers, sweepers and fire-fighting vehicles.	Certain aircrafts.	—	Vessels of more than 500 gross tons.	13
Sales under \$0.21 except draught beer. Certain works of art; uncancellable stamps; money; equipment purchased by a religious institution, trapper or advertiser; tobacco products; animals sold for household pets; settlers' effects; returnable milk containers; certain costs for stage performance; energy conservation materials and equipment in disposable items used in hotel guest rooms.	Sales under \$0.26 (except liquor); stamps; money; safety equipment; ships' stores; settlers' effects; used furniture (less than \$25); amusement; tobacco; insulation materials used in residential construction.	Sales under \$0.15; money stamps; matches; goods taxed under another Act; tobacco; settlers' effects.	Sales under \$0.15; Ships' stores to commercial vessels over 500 gross tons; X-ray pictures; settlers' effects; containers and labels.	14
Special rate of 10% on liquor, beer, wine and meals over \$6.	Liquor subject to a special rate of 10%.	—	—	15

TABLE 5 B. Other Consumption Taxes Levied by Provincial Governments

No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
1	Motive and other fuel taxes Statutory authority	The Gasoline Tax Act; R.S.N. 1970, c. 147 and amendments. The Fuel Oil Tax Act; R.S.N. 1970, c. 145.	The Gasoline and Diesel Tax Act; R.S.P.E.I. 1974, c. G-3 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. 1973, c. G-3.	Fuel Tax Act; S.Q. 1972, c. 30 and amend- ments.
2	Basis	Per gallon.	Per gallon.	Per gallon.	Per gallon.	Per gallon.
3	Rate	Gasoline and - \$0.27 motive fuel Fuel oil - 0.01	Gasoline - \$0.21 Diesel fuel - 0.25	Gasoline fuel - \$0.21 Diesel fuel - 0.27 Aviation fuel - 0.03	Gasoline - \$0.20 Diesel fuel - 0.23 Aviation fuel - 0.03	Gasoline - \$0.19 Diesel fuel - 0.25 Aviation fuel - 0.03
4	Comments	Exemptions for gasoline used by governments, by foreign diplomats, in aircraft, in motor- ized equipment (other than trucks and auto- mobiles) used for agri- cultural or logging purposes, in sawmills, in fish processing plants, in certain ma- nufacturing plants, in vessels and boats used in trade, in electrical power generating plants, in household appliances, as house- hold 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), manufac- turing plants, com- mercial 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 estab- lishments.	Exemption for marked gasoline. Marked gasoline may be used in vehicles of the federal, provincial and municipal govern- ments 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 fab- rics, in stationary en- gines, in the operation of motor boats and snowmobiles, in trac- tors 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 con- sumed in student training programme multiplied by rate of \$0.03 per gallon.	Exemption for petroleum, butane and liquefied petroleum gas used for heating, solvents and gasoline for chemical use. Exemption for fuel oil used for commercial vessel or for chemical use; coloured fuel oil used for farm machin- ery or fishing opera- tions; bunker fuel, cre- de oil and coloured fuel oil used other than for an internal com- bustion engine. Full tax refunds are al- lowed on gasoline used in the operation of farm tractors and fish- ing boats. Refunds of part of the tax are allowed on gasoline used in stationary engines (except gaso- line used by farmers and fishermen), power to fight forest fires, and production in- dustry.

TABLE 5 B. Other Consumption Taxes Levied by Provincial Governments

Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.
The Gasoline Tax Act; S.O. 1973, c. 99. The Motor Vehicle Fuel Tax Act; R.S.O. 1970, c. 282 and amendments.	The Gasoline Tax Act; R.S.M. 1970, c. G-40 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; 1958, R.S.B.C. 1960, c. 163 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; O.Y.T. 1973, c. F-11 and amendments.	Petroleum Products Tax Ordinance; R.O.N.T. 1974, c. P-6.	1
Per gallon.	Per gallon.	Per gallon.	Per gallon.	Per gallon.	Per gallon.	Per gallon.	2
Gasoline - \$0.19 Diesel fuel - 0.25 Aviation fuel - 0.03	Gasoline - \$0.18 Diesel fuel - 0.21 Aviation fuel - 0.05 Propane - 0.18 Locomotive diesel fuel - 0.10	Gasoline - \$ 0.19 Diesel fuel - 0.266 Aviation fuel - 0.04 Other fuels - 0.06	Gasoline - \$0.10 Diesel fuel - 0.12 Aviation fuel - 0.03 Coloured gasoline - 0.03	Gasoline - \$0.17 Diesel fuel - 0.19 Aviation fuel - 0.05 Coloured gasoline - 0.05 Liquefied petroleum gas - 0.12 Fuel oil - 0.005 Propane - 0.005	Gasoline - \$0.14 Diesel fuel - 0.16 Aviation fuel - 0.02 Fuel oil used for heating - 0.01	Gasoline - \$0.14 Diesel fuel - 0.15 Fuel oil - 0.03 Aviation fuel - 0.025 Propane and butane - 0.0225	3
Exemption for fuel used by federal government and foreign diplomats. Exemptions for farmers, commercial fishermen fuel used for heating and cooking, industrial, commercial and institutional users, those engaged in road maintenance or construction. A tax relief of \$0.13 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 full refund of tax is provided on fuel used for industrial and commercial purposes.	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, fishing operations and for domestic purposes. Partial or full refund in other circumstances set out in the Act.	Exemptions for fuel used for cooking, lighting, heating and operating domestic appliances. Exemptions for coloured fuels used in farming operations and control chemicals. Fuel petroleum products coloured or otherwise identified is exempt from the normal rate but subject to the rate of \$0.06 when used for generating electricity, city-owned buses, industrial purposes or by railways and fishermen.	Exemption for fuel used by the federal government and foreign diplomats and certain industrial purposes. Exemption of \$0.03 per gallon for domestic appliances, lighting and heating. Refund of \$0.03 for marked fuel or liquefied petroleum gas used in farming operations.	Exemptions for gasoline used by the federal government or taxed as motive-fuel under the "Motive-fuel Use Tax Act" or brought into the Province in supply-tanks under certain conditions. Exemptions for coloured gasoline used in farm trucks and fishing vessels by bona fide farmers and commercial fishermen. Exemptions for Motive-fuel used by the federal government or a bona fide farmer for farming purposes. A refund of \$0.02 per gallon of diesel fuel used in private passenger-vehicle. A refund of \$0.12 per gallon of non-coloured gasoline and \$0.07 per gallon of pollutant-free liquefied petroleum gas and \$0.14 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. Coloured gasoline is restricted to specific uses as determined by law.	No tax is payable in respect of fuel oil used in stationary generators of electricity; in farm equipment; for lubricating purposes, for laying or sprinkling on roads; for use as cleaning fluids or solvents, for medical or pharmaceutical purposes, for heating ore as part of mineral extraction process and for fuel oil sold to Government of Canada or visiting armed forces.	No tax is payable in respect of fuel used by hospitals, municipalities, 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.	4

TABLE 5 B. Other Consumption Taxes Levied by Provincial Governments — Continued

No.		Newfoundland	Prince Edward Island	Nova Scotia
	Tobacco taxes			
1	Statutory authority	The Tobacco Tax Act; R.S.N. 1970, c. 374 and amendments.	The Health Tax Act; R.S.P.E.I. 1974, C. H-3 and amendments.	Health Services Tax Act; R.S.N.S. 1967, c. 126 and amendments.
2	Basis	By cigarette; by retail price of cigars; other tobacco products by weight.	By cigarette; by retail price of cigars; other tobacco products by weight.	By cigarette; by retail price of cigars and other tobacco products.
3	Rate	Cigarettes — \$0.012 each. Cigars from: \$0.07 or less — \$0.04 each \$0.08 to \$0.15 — \$0.05 each 0.16 " 0.25 — 0.10 " 0.26 " 0.35 — 0.14 " 0.36 " 0.45 — 0.19 " 0.46 up — 0.24 " Other tobacco products \$0.05 per 1/2 ounce unit or part thereof.	Cigarettes — \$0.008 each. Cigars from: \$0.01 to \$0.09 — \$0.01 each 0.10 " 0.15 — 0.02 " 0.16 " 0.21 — 0.03 " 0.22 " 0.27 — 0.04 " 0.28 " 0.33 — 0.05 " 0.34 " 0.39 — 0.06 " 0.40 " 0.45 — 0.07 " 0.46 up — 20% " Other smoking tobacco products \$0.03 per 1/2 ounce or part thereof.	Cigarettes — \$0.006 each. Cigars and other tobacco products — 15%.
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.
	Alcoholic beverage tax			
5	Statutory authority	—	The Health Tax Act; R.S.P.E.I. 1974, c. H-3 and amendments.	—
6	Basis	—	Retail price.	—
7	Rate	—	10%	—
8	Comments	—	—	—

TABLE 5 B. Other Consumption Taxes Levied by Provincial Governments - Continued

New Brunswick	Quebec	Ontario	No.
Tobacco Tax Act; R.S.N.B. 1973, c. T-7	Tobacco Tax Act; R.S.Q. 1964, c. 72 and amendments.	The Tobacco Tax Act; R.S.O. 1970, c. 463 and amendments.	1
By cigarette; by retail price of cigars; by weight for other tobacco products.	By cigarette; by retail price of cigars and other manufactured tobacco.	By cigarette; by retail price of cigars; by weight for other tobacco products.	2
Cigarettes - \$0.004 each.	Cigarettes - \$0.008 each.	Cigarettes - \$0.0096 each.	3
Cigars \$0.01 for each \$0.05 or part thereof. Other tobacco products - \$0.04 per ounce or part thereof.	Cigars from: \$0.05 to \$0.10 - \$0.01 each. 0.10 up - 25%. Manufactured tobacco - 25% of retail price.	Cigars from: \$0.01 to \$0.07 - \$0.02 each 0.08 " 0.10 - \$0.04 " More than \$0.10 - an additional \$0.02 for each \$0.05 or part thereof of retail price. Other tobacco products \$0.05 per 1/2 ounce or part thereof.	
-	No tax levied on raw leaf tobacco or on cigars sold at \$0.05 each, or less.	-	4
-	-	-	5
-	-	-	6
-	-	-	7
-	-	-	8

TABLE 5 B. Other Consumption Taxes Levied by Provincial Governments - Continued

No.		Manitoba	Saskatchewan	Alberta
	Tobacco taxes			
1	Statutory authority	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.
2	Basis	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).
3	Rate	<p>Cigarettes - \$0.008 each.</p> <p>Cigars:</p> <p>\$0.06 or less - \$0.02 each</p> <p>0.07 to \$0.09 - \$0.03 each</p> <p>0.10 " 0.12 - 0.04 "</p> <p>0.13 " 0.15 - 0.05 "</p> <p>0.16 " 0.18 - 0.06 "</p> <p>0.19 " 0.21 - 0.07 "</p> <p>0.22 " 0.24 - 0.08 "</p> <p>0.25 " 0.30 - 0.10 "</p> <p>0.31 " 0.39 - 0.13 "</p> <p>0.40 " 0.48 - 0.16 "</p> <p>Over \$0.48 - \$0.20 each</p> <p>Other tobacco products - \$0.04 per 1/2 ounce.</p>	<p>Cigarettes - \$0.008 each.</p> <p>Cigars:</p> <p>\$0.10 or less - \$0.02 each</p> <p>\$0.11 to \$0.20 - \$0.04 each</p> <p>Over \$0.20 - \$0.08 each</p> <p>Other tobacco \$0.04 per 1/2 ounce or fraction thereof.</p>	<p>Cigarettes - \$0.0032 each.</p> <p>Cigars:</p> <p>\$0.07 or less - \$0.01 each</p> <p>0.08 to \$0.15 - \$0.02 each</p> <p>0.16 " 0.22 - 0.03 "</p> <p>0.23 " 0.32 - 0.05 "</p> <p>0.33 " 0.42 - 0.07 "</p> <p>Over \$0.42 - \$0.09 each</p> <p>Tobacco \$0.02 per 1/2 ounce or fraction thereof.</p>
4	Comments	-	-	-
	Alcoholic beverage tax			
5	Statutory authority	-	-	-
6	Basis	-	-	-
7	Rate	-	-	-
8	Comments	-	-	-

TABLE 5 B. Other Consumption Taxes Levied by Provincial Governments — Continued

British Columbia	Yukon Territory	Northwest Territories	No.
The Cigarette and Tobacco Tax Act; S.B.C. 1971, c. 7.	Tobacco Tax Ordinance; (First session); 1976, c. 9.	Tobacco Tax Ordinance; R.O.N.T. 1974, c. T-6.	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 tobacco products.	By cigarette and retail price of cigars.	2
Cigarettes — \$0.0048 each.	Cigarettes — \$0.006 each.	Cigarettes — \$0.0032 each.	3
Cigars:	Cigars:	Cigars:	
\$0.05 or less — \$0.01 each	\$0.05 or less — \$0.01 each	\$0.07 or less — \$0.01 each	
0.06 to 0.09 — 0.02 each	0.06 to 0.10 — 0.02 each	0.08 to 0.15 — 0.02 each	
0.10 " 0.13 — 0.03 "	0.11 " 0.15 — 0.03 "	0.16 " 0.22 — 0.03 "	
0.14 " 0.17 — 0.04 "	0.16 " 0.20 — 0.04 "	0.23 " 0.32 — 0.05 "	
0.18 " 0.25 — 0.06 "	0.21 " 0.30 — 0.06 "	0.33 " 0.42 — 0.07 "	
0.26 " 0.33 — 0.08 "	0.31 " 0.40 — 0.08 "	Over \$0.42 — \$0.09 each	
0.34 " 0.41 — 0.10 "	Over \$0.40 — \$0.10 each		
0.42 " 0.49 — 0.12 "	Other tobacco products \$0.03 per 1/2 ounce or part thereof.		
Over \$0.49 — \$0.15 each.			
Other tobacco products \$0.03 per 1/2 ounce or part thereof.			
			4
	Liquor Tax Ordinance; O.Y.T. 1976, c. 3.		5
	By the bottle or gallon.		6
	\$0.80 for each bottle of spirits. 0.80 for each bottle of fortified wine. 0.20 for each bottle of table wine. 0.10 for each dozen bottles of beer. 0.10 for each gallon of draught beer.		7
			8

TABLE 5 B. Other Consumption Taxes Levied by Provincial Governments — Concluded

No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
Telecommunication tax						
1	Statutory authority	—	—	Corporations Tax Act; R.S.N.S. 1967, c. 61.	—	Telecommunications Tax Act; S.Q. 1965, c. 28.
2	Basis	—	—	Toll charge on long- distance telephone calls.	—	Price of telecommunica- tion.
3	Rate	—	—	\$0.07 for each \$0.50 toll charge or part there- of.	—	8%
4	Comments.	—	—	Tolls under \$0.25 are exempt.	—	Applicable to long distance telephone calls, tele- grams and other tele- communications.
Meals and lodging tax						
5	Statutory authority	—	—	—	—	Meals and Hotels Tax Act; R.S.Q. 1964, c. 72 and amendments.
6	Basis	—	—	—	—	Meals priced over \$3.25, alcoholic beverages, any aerated water to which essence or syrup has been added and price of lodging.
7	Rate	—	—	—	—	10% for meals over \$3.25; 8% on price of lodging.
8	Comments.	—	—	—	—	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 estab- lishment. Beer served in a tavern is not taxable.

TABLE 5 B. Other Consumption Taxes Levied by Provincial Governments - Concluded

Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.
-	-	-	-	-	-	-	1
-	-	-	-	-	-	-	2
-	-	-	-	-	-	-	3
-	-	-	-	-	-	-	4
-	-	-	-	Hotel and Motel Room Tax Act; S.B.C. 1971, c. 26.	-	-	5
-	-	-	-	Purchase price of ac- commodation in hotels and motels.	-	-	6
-	-	-	-	5%	-	-	7
-	-	-	-	-	-	-	8

TABLE 6. Miscellaneous Provincial Levies

No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
Amusement taxes						
1	Statutory authority	—	The Entertainments Act; R.S.P.E.I. 1974, c. E-7 and amendments.	Theatres and Amusements Act; R.S.N.S. 1967, c. 304 and regulations.	Theatres, Cinematographs and Amusements Act; R.S.N.B. 1973, c. T-5.	Amusement Tax Act; R.S.Q. 1964, c. 76.
2	Basis	—	Admission price.	Admission price.	Admission price.	Admission price.
3	Rate	—	From: \$0.81 - \$1.00, \$0.10 Over - 1.00, 0.10 plus \$0.05 extra for each additional \$0.50 or fraction thereof. Season ticket - 10% of selling price. Pass or complimentary ticket \$0.10	From: \$0.56 - \$0.70, \$0.05 0.71 - 1.00, 0.10 Over - 1.00, 0.10 plus \$0.05 extra for each additional \$0.50 or fraction thereof.	Theatre rates: Up to \$0.25 \$0.02 From \$0.25 to \$0.30 . 0.03 " 0.31 " 0.40 . 0.04 " 0.41 " 0.45 . 0.05 " 0.46 " 0.50 . 0.06 " 0.51 " 0.60 . 0.07 " 0.61 " 0.70 . 0.08 " 0.71 " 0.80 . 0.09 " 0.81 " 0.90 . 0.10 " 0.91 " 1.00 . 0.11 Over 1.00 . 0.11 Pass \$0.10 Other amusements rates: Up to \$0.25 \$0.02 From \$0.26 to \$0.50 . 0.05 From 0.51 to 1.00 . 0.10 and \$0.05 for each additional \$0.50 or fraction thereof in excess of \$1.	10%
4	Exemptions	—	Church, school and municipal functions; certain other amateur or private functions.	Religious, educational or charitable functions.	School amusements; agricultural fairs; religious, educational or charitable functions.	Charitable, agricultural or church functions. Taxes collected by the municipalities.
Race track taxes						
5	Statutory authority	The Horse Racing (Regulations and Tax) Act; R.S.N. 1970, c. 155 and amendments.	The Entertainment Act; R.S.P.E.I. 1974, c. E-7 and amendments.	Theatres and Amusements Act; R.S.N.S. 1967, c. 304 and regulations.	Theatres, Cinematographs, and Amusements Act; R.S.N.B. 1973, c. T-5.	Licences Act; R.S.Q. 1964, c. 79 and amendments.
6	Basis	Amount of bets placed under the pari mutuel system.	Pari mutuel betting pool.	Pari mutuel betting pool.	Pari mutuel betting pool.	Pari mutuel betting pool.
7	Rate	11%	11 1/2%	11%	11% of wagers	7% of ticket evidencing the choice of a single winning horse; 9% on other tickets.
8	Comments	The track operators are paid a remuneration of 3% of the tax collected and remitted.	—	If tax remitted within 7 days, the Race Association may deduct a commission of 7% and 8% depending on certain variables in amounts wagered and dates.	If tax is remitted within 7 days, the Race Association may deduct from 6 1/2% to 9 1/2% of the amounts wagered as commission.	Racetrack entrance fees collected as miscellaneous.

TABLE 6. Miscellaneous Provincial Levies

Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.
The Retail Sales Tax; R.S.O. 1970, c. 415 and amendments.	-	-	See: Race track tax.	-	-	-	1
Admission price.	-	-	-	-	-	-	2
From: \$3.01 and over 10%.	-	-	-	-	-	-	3
Religious, charitable or educational institutions (by way of refund).	-	-	-	-	-	-	4
The Race Tracks Tax Act; R.S.O. 1970, c. 397 and amendments.	The Pari Mutuel Tax Act; S.M. 1974, c. P 12.	The Horse Racing Regulations Act; R.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.	-	-	5
(a) Pari mutuel betting pool.	Pari mutuel betting pool.	Pari mutuel betting pool.	Pari mutuel betting pool.	Pari mutuel betting pool.	-	-	6
(b) Amount gained from a winning ticket.							
7%	10%	10%	5%	8%	-	-	7
-	1 1/2% of the rate is kept as commission by the track operators.	-	-	1% of the amount collected is ear-marked to increase the purses of B.C. bred, born and raised horses.	-	-	8

TABLE 6. Miscellaneous Provincial Levies - 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. 177 and amendments.	The Premium Tax Act; R.S.P.E.I. 1974, c. P-18 and amendments.	Insurance Premiums Tax Act; R.S.N.S. 1967, c. 149.	Premium Tax Act; R.S.N.B. 1973, c. P-15.	Taxation Act; S.Q. 1972, c. 23 and amendments (Part VI).
2	Basis	Gross premiums.	Gross premiums.	Gross premiums.	Gross premiums.	Premium income.
3	Rate	2%	2%	2%	2%	2%
4	Comments	Exemption for premiums on marine insurance and annuity contracts.	Exemption for annuity contracts.	Exemption for premiums on marine insurance and annuity contracts.	Exemption for premiums on marine insurance and annuity contracts.	Applicable on all insurance premiums, including fire insurance.
	(b) Fire insurance:					
5	Statutory authority . .	The Insurance Premiums Tax Act; R.S.N. 1970, c. 179.	The Fire Prevention Act; R.S.P.E.I. 1974, c. F-7 and amendments.	Fire Prevention Act; S.N.S. 1976, c. 9.	Fire Prevention Act; R.S.N.B. 1973, c. F-13.	Fire Prevention Act; R.S.Q. 1964 c. 187 and amendments.
6	Basis	Premiums charged.	Gross premiums.	Gross property insurance premium income.	Premium income.	Premium income.
7	Rate	10%	3/4 of 1%	3/4 of 1%	1%	1/4 of 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.	-	Rate determined by Lieutenant-Governor in-council.	-	-

TABLE 6. Miscellaneous Provincial Levies - Continued

Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.
(a) The Corporations Tax Act, S.O. 1972, c. 143. (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.	Insurance Premium Tax Ordinance; O.Y.T. 1976, c. 2.	-	1
(a) Gross premiums or deposits. (b) Gross premiums or reciprocal or inter-insurance exchanges.	Premium income.	Gross premiums.	Gross premiums.	(a) Gross premiums. (b) Premiums paid to unlicensed insurer or reciprocal exchange.	Gross Premiums.	Premium income.	2
3%	2%	2%	2%	(a) 2% (b) 5%	2%	2%	3
Additional 1/2 of 1% on property insurance.	Exemption for marine insurance and annuity contracts.	Exemption for marine insurance and annuity contracts.	Exemption for marine insurance and annuity contracts.	Exemption for marine insurance and annuity contracts.	Exemptions 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; R.O.Y.T. 1971, c. F-5.	-	5
-	-	Premium income.	Premium income.	Premium income.	Premium income.	Premium income.	6
-	-	1%	1/3 of 1%	1%	1%	1/2 of 1%	7
-	-	-	-	-	-	-	8

TABLE 6. Miscellaneous Provincial Levies - Continued

No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario
	Mining and mineral taxes						
1	Statutory authority . .	The Mining and Mineral Rights Tax Act; S.N., 1975, c. 68.	-	(a) Gypsum Mining Income Tax Act; R.S.N.S. 1967, c. 122. (b) Mineral Resources Act; S.N.S. 1975, c. 12.	Mining Income Tax Act; R.S.N.B. 1973, c. M-15 and amendments.	Mining Duties Act; S.Q. 1975, c. 30.	(a) The Mining Tax Act; S.O. 1972 c. 140. (b) Mining Act; R.S.O. 1970, c. 274.
2	Basis	Net income from mining operations and holding rights to mine.	-	(a) Net income from gypsum mining or ton of gypsum mined. (b) Net selling price of ores and minerals mined; net income derived from mining operations.	Net revenue from mining operations and mining profits.	Net profit of mining operations.	(a) Profits from mining operations. (b) Lands used for mining purposes and mining rights.
3	Rate	15% mining tax, 20% mineral rights tax on operator or recipient of rent or royalty.	-	(a) 33 1/3% of net income in excess of \$5,000; or \$0.06 per ton where mining operations are calculated at a fixed rate of \$0.18 per ton.	2% of net revenue and 16% of profits in excess of \$100,000.	15% on mining profits of \$150,001 to \$3,000,000; 20% on mining profits of \$3,000,001 to \$10,000,000. 25% on mining profits of \$10,000,001 to \$20,000,000. 30% on mining profits of \$20,000,001 and over.	(a) 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.

TABLE 6. Miscellaneous Provincial Levies - Continued

Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.
(a) The Mining Royalty and Tax Act; R.S.M. 1970, c. M-180 and amendments.	(a) The Mineral Taxation Act; R.S.S. 1965, c. 64 and amendments.	(a) The Freehold Mineral Taxation Act; S.A. 1973, c. 89.	(a) Mineral Land Tax Act; S.B.C. 1973, c. 53.	Yukon Placer Mining Act; R.S.C. 1970, c. Y3.	Canada Mining Regulations; P.C. 1961, -325.	1
(b) The Mineral Acreage Tax Act; S.M. 1972, c. M-135.	(b) The Mineral Resources Act; R.S.S. 1965, c. 50 and amendments.	(b) The Mines and Minerals Act; R.S.A. 1970, c. 238 and amendments.	(b) Mineral Resource Tax Act; S.B.C. 1976, c. 31.			
(c) The Mineral Taxation Act; R.S.M. 1970, c. M-150 and amendments.	(c) The Oil and Gas Conservation, Stabilization and Development Act; S.S. 1973, c. 72 and amendments.	(c) Oil and Gas Conservation Act; R.S.A. 1970, c. 267.	(c) Petroleum and Natural Gas Act; S.B.C. 1965, c. 33 and amendments.			
(d) The Metallic Minerals Royalty Act; S.M. 1973, c. 51-122.	(d) The Road Allowance Crown Oil Act; R.S.S. 1965, c. 53.		(d) Coal Act; S.B.C. 1974, c. 15. (e) Mining Tax Act; R.S.B.C. 1960, c. 247.			
(a) Net profit of mining operations.	(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.	(a) Assessed value of principal minerals in freehold lands.	(a) 1. Tracts outside designated producing areas. 2. Designated production areas.	Value of gold shipped from Yukon.	Annual value of output.	2
(b) Every owner of minerals rights on freehold land of 40 acres or more except bona fide farmers who are exempt.	(b) 1. Product ton 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.	(b) Value of production on Crown lands.	(b) Net income from mining operations.			
(c) Assessed value of minerals in, on, or under freehold land in a designated production area.	(c) Operator share of oil and road allowance oil produced from freehold rights.	(c) Oil and gas property in designated areas.	(c) 1. Crude petroleum. 2. Natural gas by-products. 3. Natural gas.			
(d) Net profit of mining operations.	(d) All oil produced.		(d) 1. Metallurgical coal. 2. Thermal coal. (e) Net income.			
(a) If income is under \$50,000, 22% on entire income if income exceeds \$50,000 (or a lesser amount as determined by the Lieutenant-Governor-in-Council).	(a) 1. (i) \$0.50 (minimum tax \$1). (ii) Additional tax on all lands of 500,000 or more acres. 2. Producing tract tax of 8 mills times twice the assessed value; coal is one and a half times. 3. Varies from nil under the average selling price of \$35.50 per short ton to 8.73169 mills on the average selling price of \$90 and over.	(a) Rates determined by order in council.	(a) 1. 49,999 acres or less, \$0.25 per acre. 50,000 - 99,999 acres, \$0.40 per acre. 100,000 - 249,999 acres, \$0.55 per acre. 250,000 - 499,999 acres, \$0.70 per acre. 500,000 - 999,999 acres, \$0.85 per acre. 1,000,000 acres and over - \$1 per acre. 2. \$2 per acre.	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 6. Miscellaneous Provincial Levies - Continued

No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario
	Mining and mineral taxes - Concluded						
1	Rate	-	-	(b) Greater of: 2% of net selling price or 15% of net income from mining operations.	-	-	(b) \$0.50 per acre.
2	Comments	The mining tax is levied on the greater of 80% of net income or net income minus rents or royalty payments.	-	-	-	Net profit up to \$150,000 is exempt.	(a) Net profit up to \$100,000 is exempt.
	Logging taxes						
3	Statutory authority	-	-	-	-	Taxation Act: S.Q. 1972, c. 23 (Part VII).	-
4	Basis	-	-	-	-	Income from logging operations.	-
5	Rate	-	-	-	-	10%	-
6	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 1/3 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 6. Miscellaneous Provincial Levies - Continued

Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.
<p>(b) \$0.10 per acre or fraction thereof.</p> <p>(c) 1. Eight mills of the assessed value of each well.</p> <p>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.</p> <p>(d) 15% on base profit, 35% on excess of base profit (as determined by the Act).</p> <p>All operator required to pay royalty under this Act is exempt from the payment of royalty tax under the Mining Royalty and Tax Act.</p>	<p>(b) 1. Pro-rationing fee of \$1.20 per ton.</p> <p>2. (i) Regular crude oil royalty of up to 25% based on volume of production and valued at the well-head price.</p> <p>(ii) Royalty surcharge equal to the difference between the "basic" well-head price and the well-head prices.</p> <p>3. (i) From 5% to 12.5%.</p> <p>(ii) \$5 per ton.</p> <p>(c) Mineral income tax equal to difference between the "basic" well-head price and the well-head price.</p> <p>(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.</p> <p>(e) 1. Acreage tax does not apply to an owner who is an individual.</p> <p>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 \$0.30 per barrel. Beyond this, 50% of approved expenditures may be deducted.</p>	<p>(b) 1. Oil and gas: rates vary between 40% on current production from old oil and gas wells and 28% from new wells.</p> <p>2. Synthetic oil: 8% of monthly production to 9 million barrels; 20% in excess of 9 million barrels.</p> <p>3. Sulphur: 16 2/3 of the value of marketable production.</p> <p>4. Pentanes plus: in accordance with the formula specified in the regulations.</p> <p>(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.</p> <p>(a) Assessment for oil and natural gas is 16 mills.</p> <p>(b) 3.4. 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.</p>	<p>(b) 17.5% after processing allowances.</p> <p>(c) Rates of royalty vary with mineral production. No royalty is payable on production contracted to B.C. Petroleum Corporation.</p> <p>(d) 1. \$1.50 per ton.</p> <p>2. \$0.75 per ton.</p> <p>(e) 15% where net income exceeds \$10,000.</p> <p>(b) The Mineral Resource Tax Act repeals the Mineral Royalties Act as of January 1, 1977 and abolishes the incremental royalties from April 1, 1976.</p> <p>(c) Minerals derived from Crown lands.</p> <p>Logging Tax Act; R.S.B.C. 1960, c. 225 and amendments.</p> <p>Net income.</p> <p>15% where net income exceeds \$10,000.</p> <p>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.</p> <p>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.</p>	-	-	1
				Rates established by Order-in-Council.	Exemption for the first \$10,000 of output.	2
-	-	-	Logging Tax Act; R.S.B.C. 1960, c. 225 and amendments.	-	-	3
-	-	-	Net income.	-	-	4
-	-	-	15% where net income exceeds \$10,000.	-	-	5
-	-	-	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.	-	-	6
-	-	-	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.	-	-	

TABLE 6. Miscellaneous Provincial Levies - Continued

No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario
	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; R.S.P.E.I. 1974 c. H-6 and amendments.	Motor Vehicle Act; R.S.N.S. 1967, c. 191 amendments and regulations.	The Motor Vehicle Act; R.S.N.B. 1973, c. M-17.	Highway Code; R.S.Q. 1964, c. 231 and amendments.	The Highway Traffic Act; R.S.O. 1970, c. 202 and amendments.
2	Basis	(a) Passenger vehicles: weight of the vehicle. (b) Commercial vehicles: over 4,000 lb. rate increases per 1,000 lb. (gross weight).	(a) Passenger vehicles: weight of the vehicle. (b) Commercial vehicles: over 3,000 lb. rate increases per 1,000 lb. (gross weight).	(a) Passenger vehicles: per 100 lb. weight. (b) Commercial vehicles: over 4,000 lb. rate increases per 1,000 lb. (net weight).	(a) Passenger vehicles: per lb. of weight. (b) Commercial vehicles: over 4,500 lb. rate increases per 1,000 lb. (gross weight).	(a) Passenger vehicles: per 100 lb. vehicle weight. (b) Commercial vehicles: over 5,000 lb.; graduated scale per 1,000 lb. (gross weight).	(a) Passenger vehicles: number of cylinders. (b) Commercial vehicles: weight.
		(c) Driver.	(c) Driver. (d) Chauffeur.	(c) Driver. (d) Chauffeur.	(c) Driver. (d) Chauffeur.	(c) Driver. (d) Chauffeur.	(c) Driver. (d) Chauffeur.
3	Rate	(a) Passenger vehicles: up to 4,000 lb. - \$30. 4,001 lb. and over - \$40. (b) Commercial vehicles: up to 4,000 lb.: \$27; over 4,000 lb.: from \$33 to \$1,205.	(a) Passenger vehicles: not more than 2,049 lb. - \$20. Over 2,049 lb. up to and including 4,949 lb. - \$1 per 100 lb. 4,950 lb. and over - \$50. (b) Commercial vehicles: up to 3,000 lb.: \$14; over 3,000 lb.: from \$18 to \$1,267.	(a) Passenger vehicles: \$1.25 per 100 lb. of vehicle weight. Minimum \$15. (b) Commercial vehicles: up to 4,000 lb.: \$29; over 4,000 lb.: to 50,000 lb.: from \$31 to \$634.	(a) Passenger vehicles: \$0.01 per lb.; minimum \$20 plus a fee of \$4 for licence plates. (b) Commercial vehicles: up to 4,500 lb.: \$19; over 4,500 lb.: from \$23 to \$1,435.	(a) Passenger vehicles: 1 to 3,000 lb.: \$1 per 100 lb. 3,001 to 4,000 lb.: \$2 per 100 lb. 4,001 and over: \$3 per 100 lb. (Minimum \$20). (b) Commercial vehicles: up to 5,000 lb.: \$40. 5,001 to 10,000 lb.: \$10 per 1,000 lb. 10,001 to 20,000 lb.: \$11 per 1,000 lb. 20,001 to 60,000 lb.: \$12 per 1,000 lb. 60,001 lb. and over: \$16 per 1,000 lb.	(a) Passenger vehicles: 4 cylinders or less \$30. 6 cylinders \$45. 8 cylinders \$60. Northern Ontario \$40 flat fee. (b) Commercial vehicles: from \$60 (up to 5,000 lb.) to \$2,227 (139,501 to 140,000 lb.).
		(c) Driver's and chauffeur's licences - \$15.	(c) Driver's licence - \$6. (d) Chauffeur's licence - \$7.	(c) Driver's licence - \$6. (d) Chauffeur's licence - \$7.	(c) (d) Driver's and chauffeur's licences - \$4 plus a \$6 unsatisfied judgement fee.	(c) (d) Driver's and chauffeur's licences - \$12.	(c) (d) Driver's and chauffeur's licences - \$9.
4	Comments	(a) Reduced rates apply later in the year. (b) Driver's and chauffeur's have a three-year term. Expiry date is on licensee's birthday.	(a) Reduced rates apply later in the year. (b) Driver's and chauffeur's licences have a one year term. Expiry date is on the last day of licensee's month of birth.	(a) Vehicle registration expires March 31. (b) Driver's licence has a three-year term and chauffeur's licence has a one year term.	(a) Reduced rates apply later in the year which expires Dec. 31. (b) Driver's and chauffeur's licences - have a two-year term.	Driver's and chauffeur's licences have a two-year term and expiry date is on licensee's birthday.	Driver's and chauffeur's licences have a three-year term. Engines with displacement in excess of 6 500 cubic centimeters (397 cubic inches) \$80.

TABLE 6. Miscellaneous Provincial Levies - Continued

Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.
The Highway Traffic Act; R.S.M. 1970, c. 1160 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. 1971, c. M-11 and amendments.	Vehicles Ordinance; R.O.N.T. 1974, c. V-2.	1
(a) Passenger vehicles: curb weight: per 100 lb.	(a) Passenger vehicles: length of wheel base.	(a) Passenger vehicles: length of wheel base.	(a) Passenger vehicles: weight of the vehicle.	(a) Passenger vehicles: length of wheel base.	(a) Passenger vehicles: flat rate varying by regions.	2
(b) Commercial vehicles: over 6,000 lb. rate increases per 1,000 lb. (gross weight).	(b) Commercial vehicles: over 11,000 lb. (gross weight).	(b) Commercial vehicle: over 3,000 lb. rate increases per 1,000 lb. (gross weight).	(b) Commercial vehicles: gross vehicle weight.	(b) Gross weight of vehicle.	(b) Commercial vehicles: gross weight of vehicle. Region I: Mackenzie Highway System. Region II: Mackenzie Delta. Region III: Remainder of Territories.	
(c) Driver.	(c) Driver.	(c) Driver.	(c) Driver.	(c) Driver.	(c) Driver.	
(d) Chauffeur.	(d) Chauffeur.				(d) Chauffeur.	
(a) Passenger vehicles: up to 2,499 lb.: \$18; from 2,500 lb. and up: \$16 to \$150.	(a) Passenger vehicles: \$12 for wheel base not exceeding 110"; \$24 for wheel base of 111" to 120"; \$36 for wheel base of 121" to 130"; \$48 for wheel base of 131" to 140"; over 140" for wheel base \$60.	(a) 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.	(a) Passenger vehicles: up to 500 lb.: \$5; over 500 lb.: from \$10 to \$58. Plus first registration fee of \$1.	(a) Passenger vehicles: up to 100" wheel base \$15; 101" to 120": \$20; 121" and over \$25.	(a) Passenger vehicles: Region I: \$20. Region II: \$10. Region III: \$5.	3
(b) Commercial vehicles: up to 6,000 lb.: \$18; over 6,000 lb.: from \$24 to \$723.	(b) Commercial vehicles: from 11,001 lb. to 110,000 lb. rates vary between \$75 and \$1,175.	(b) Commercial vehicles: up to 3,000 lb.: \$30; over 3,000 lb. to 110,000 lb.: from \$40 to \$1,860.	(b) Commercial vehicles: up to 3,000 lb.: \$16; from 3,001 lb. to 74,000 lb.: from \$20 to \$830. Additional \$25 per 2,000 over 74,000 lb.	(b) Commercial vehicles: up to 10,000 lb.: \$50; from 10,001 lb. to 126,000 lb.: from \$100 to \$1,120.	(b) Commercial vehicles: Region I: from \$35. to \$65. (up to 10,000 lb.) and \$5 for every additional 1,000 lb. Region II: from \$20 to \$40 (up to 10,000 lb.) and \$3 for every additional 1,000 lb. Region III: from \$10 to \$20 (up to 10,000 lb.) and \$1 for every additional 1,000 lb.	
(c) (d) Driver's and chauffeur's licences - \$6.	(c) (d) Driver's and chauffeur's licences - \$3.	(c) Driver's licence - \$10.	(c) Driver's licence - \$5.	(c) Driver's licence - \$9.	(c) Driver's licence - \$2. (d) Chauffeur's licence - \$3.	
(a) Reduced rates apply later in the year.	Driver's and chauffeur's licences have a one year term. Expiry date is April 30.	(a) Rates reduced by 40% after September 1 and 75% after January 1.	(a) Rates are reduced 1/12 each month to a minimum fee of \$2.	(a) Reduced rates apply later in the year.	(a) Rates are reduced to 40% after October 31.	4
(b) Driver's and chauffeur's licences issued for one year on birth date.		(b) Driver's licence has a five-year term; expiry date is March 31.	(b) Driver's licence has a five-year term.	(b) Driver's licence has a three year term; expiry date on March 31.	(b) Both driver's and chauffeur's licences have one year term.	

TABLE 6. Miscellaneous Provincial Levies - Concluded

No.		New- foundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario
	Hospitalization and medical care premiums and payroll taxes						
1	Statutory authority	-	-	-	-	Health Insurance Act; S.Q. 1970, c. 37 and amendments.	The Health Insurance Act; S.O. 1972, c. 91.
2	Basis	-	-	-	-	(a) Employer: payroll. (b) Employee: net income.	Monthly premiums.
3	Rate	-	-	-	-	(a) 1.5% of payroll without limit. (b) 1.5% of net income, maximum for an employee \$235 and a self employed \$375.	Single \$16 Family \$32
4	Comments.	-	-	-	-	-	The province subsidizes 100% of the premium of persons with taxable income below \$1,534 for singles and \$2,000 for families and for persons 65 years of age and over and 50% of single persons with taxable income between \$1,534 and \$2,000 and families with taxable income between \$2,000 and \$3,000. Hospitalization and medical care premiums are combined.
	Miscellaneous taxes						
5	Name of tax.	-	-	-	-	Immoveable property transfer duties.	Professional boxing and wrestling events
6	Statutory authority	-	-	-	-	Land transfer Duties Act, Ch. 23, S.Q. 1976.	The Amateurs' Games Act; S.O. 1970, c. 35.
7	Basis	-	-	-	-	Value of immoveable property transferred to non-residents.	Gross receipts of professional boxing and wrestling events.
8	Rate	-	-	-	-	33%	2%
9	Comments.	-	-	-	-	-	-
10	Name of tax.	-	-	-	-	-	Land transfer tax
11	Statutory authority	-	-	-	-	-	The Land Transfer Tax Act; S.O. 1974, c. 8.
12	Basis	-	-	-	-	-	Purchase price.
13	Rate	-	-	-	-	-	Up to \$35,000 - 3/10 of 1%. Over \$35,000 - 3/5 of 1%. 20% where land conveyed to non-resident. Land zoned or assessed commercial or industrial is exempt.
14	Comments.	-	-	-	-	-	-
15	Name of tax.	-	-	-	-	-	Land speculation tax
16	Statutory authority	-	-	-	-	-	The speculation Tax Act; S.O. 1974, c. 17.
17	Basis	-	-	-	-	-	Increase in the value of "designated land" (all real property in Ontario except Canadian resource property).
18	Rate	-	-	-	-	-	20%
19	Comments.	-	-	-	-	-	Principal residence, recreational property transfers 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.

TABLE 6. Miscellaneous Provincial Levies - Concluded

Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.
		The Health Insurance Premiums Act; R.S.A. 1969, c. 45 and amendments.	Medical Services Act; S.B.C. 1967, c. 24.	Health Care Insurance Plan Ordinance; R.O.Y.T. 1971, c. II-1.	-	1
		Annual premiums.	Monthly premiums.	Monthly premiums.	-	2
		Single \$ 84.60 Family \$169.20 A \$5 non-insurable registration fee is levied.	Single \$ 7.50 Family of two \$15.00 Family of three or more \$18.75	Single \$ 4.75 Family of two \$ 9.25 Family of three or more \$11.00	-	3
		Persons 65 years of age and over and persons with no taxable income do not have to pay premiums. Hospitalization and medical care contributions are combined.	The hospital insurance program is financed from general tax revenue. 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.	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.	-	4
Tax on electricity, telephone service and other services	Motor vehicle insurance tax	Bus mileage tax	-	Fur tax	Fur tax	5
The Revenue Act (Part II); R.S.M. 1970, c. R-140 and amendments.	The Motor Vehicle Insurance Premiums Tax Act; R.S. S. 1967, c. 19.	The Public Service Vehicles Act; R.S.A. 1970, c. 300 and amendments.	-	Fur Export Ordinance; R.O.Y.T. 1971, c. F-12 and amendments.	Fur Export Ordinance; R.O.N.T. 1974, c. F-11.	6
Purchase price of taxable products which include electricity, certain natural and manufactured gas, coal and derivatives, steam or hot water.	Gross premiums receivable.	By passenger mile.	-	Per pelt exported.	Per pelt exported.	7
3%	1%	1/15 of \$0.01 per passenger mile on hard surface roads; 2/45 of \$0.01 per passenger mile on gravel roads.	-	Various rates.	\$1	8
Domestic purchase of taxable product used for heating dwelling are exempt.				Rates are established by regulations with a range from \$0.01 to \$5 per pelt.	-	9
-	-	-	-	-	-	10
-	-	-	-	-	-	11
-	-	-	-	-	-	12
-	-	-	-	-	-	13
-	-	-	-	-	-	14
-	-	-	-	-	-	15
-	-	-	-	-	-	16
-	-	-	-	-	-	17
-	-	-	-	-	-	18
-	-	-	-	-	-	19

PART III

TAXES LEVIED BY MUNICIPAL GOVERNMENTS

TAXES LEVIED BY MUNICIPAL GOVERNMENTS

The principal revenue available to municipalities from own sources is that generated by taxes on the ownership and occupancy of real property situated within their boundaries. The most important of such taxes are the real property tax, including grants in lieu of taxes, which accounted for 66% of own source revenue in 1976, followed by special assessment taxes (7%) and business taxes (5%).¹

Real Property Tax

The taxation of real property at the local level is generally governed by provincial legislation. Such legislation empowers municipal councils to levy real property taxes for their own direct revenue requirements and obligates them to levy real property taxes for the revenue requirements of other local government entities, which are also governed by provincial statutes, such as school boards, county or regional governments and special authorities (e.g., conservation authorities or regional health units in Ontario, or regional hospital boards in British Columbia).

In some provinces, however, bodies other than municipal councils have taxing authority in their own right. In Newfoundland, for example, school tax authorities levy and collect school taxes; in Prince Edward Island and New Brunswick regional school boards may levy property taxes to supplement the provincial educational program (this authority has not been used to date). In Quebec school boards are empowered to levy a real property tax which they may collect directly or they may employ the municipality as their collecting agency. In addition, the Montréal Urban Community levies a special real property tax of \$0.60 per \$100 of the assessment in excess of \$100,000 of all real properties which are included in the assessment roll of the Community and has it collected by member municipalities. In British Columbia district school boards in non-municipally organized areas set the rates of real property taxes for school purposes but collections are made by the province.

The real property tax rate is generally expressed in mills (an amount per \$1,000 of the base) or in dollars (an amount 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 entities within a province;
- (b) different ways of determining the fair market value or real value of properties among assessment authorities;
- (c) varying practices in establishing the value of taxable assessment at percentages of the total assessed real value;
- (d) various degrees of development of the municipal system from one province to another;
- (e) uneven delegation of responsibilities to municipalities by the government of each province and, hence, different form and magnitude of the financial assistance that municipalities receive from their respective provincial governments.

For reasons such as these, specific rates are not reported in this publication. However, the main aspects of the real property tax are set out in Table 7.

Special Assessment and Local Improvement Taxes

Proceeds from special assessment and local improvement taxes are the second most important revenue available to municipalities from own sources. They usually relate to the supply of specific services.

The first type, special assessment taxes, is generally, but not always, levied throughout a municipality's territory for financing all or part of services benefiting the entire or a large proportion of the local population. For instance, services such as the supply of water, street lighting, garbage collection and disposal may bear a special tax consisting of either a charge related to the consumption of a particular service (e.g., the consumption of water in the case

of water supply), a fixed amount per ratepayer based on the costs of the service, a special rate against the assessed value of real property, land area or frontage on streets.

The second type of levies, local improvement charges, are established chiefly for financing specific new undertakings (e.g., sidewalks, sewers, water mains, roads, etc.) and are generally, but not always, temporary. In other words, they should theoretically last as long as required to finance all or portions of the initial capital expenditure entailed by the new undertaking. Usually, the initial costs are distributed among the ratepayers receiving direct benefits from the new service. Criteria used to distribute these costs vary, however, among municipalities: in some cases, only the residents of a particular area within the municipality bear such costs while, in other instances, all ratepayers of the municipality are taxed although they may not benefit directly from the related undertaking. In addition, the base upon which costs are distributed may take various forms, such as the total or a portion of the real property assessed value, land area or frontage on streets.

Business Tax

A business tax is levied on the owners or operators of a business, in addition to the real property tax on the owners of the premises. There are numerous bases upon which business taxes are imposed, among which the most commonly used throughout the provinces are as follows:

(a) **Rental value** — The business tax rate is applied to a specific or prescribed percentage of the assessed rental value of either the entire real property or, as the case may be, the part used to carry out business. Maximum rates of taxation and percentages of rental value are generally laid down by statutes or fixed by a by-law. Rental value of business real properties is used as the basis for business tax by a large number of municipalities in Manitoba and Alberta and, to a limited extent, in British Columbia; as well as by cities and towns in Quebec and by Saskatoon in Saskatchewan.

(b) **Real property assessment** — The value on which the business tax is levied is determined through the application of percentages (usually established by provincial legislation) to the assessed value of real property occupied for business purposes. This is the case in Ontario and Newfoundland. In New Brunswick, a special rate, in addition to the property tax rate, is imposed on the proportion of the property used or occupied for business purposes and the property is assessed in the name of the occupier. Both real property and business taxes are collected by the New Brunswick government which pays 100% of the warrant to the municipality. There is no business tax as such in Prince Edward Island. A tax rate applies to all commercial properties which are assessed in the name of the owner.

(c) **Stock-in-trade** — The tax base is the assessed average value of goods on hand at a specified date. Actual costs, selling prices or any intermediate estimated value may be used to determine the tax base. This type of base for business taxation purposes is used, in varying degrees, in Newfoundland.

(d) **Square footage** — In this instance, the business tax payable is determined by applying a dollar rate per square foot of the premises' area occupied to carry out business activities. This way of determining the business tax is widely used in Saskatchewan, the Yukon Territory and, to a lesser extent, in Alberta.

(e) **Fixed annual fees** — In most provinces annual fees are levied under the form of a business licence, in addition to the business tax referred to above. They may also be levied in lieu of business taxes.

Business tax rates applied to any one of the above-described tax basis vary among types of business and between cities and other categories of municipal legal organizations, i.e., towns, rural municipalities, villages, etc.

The wide variety of existing arrangements makes interprovincial comparisons of the above-described taxes impractical.

¹ For further information of municipal revenue, refer to *Local Government Finance, Catalogue 68-203*.

TABLE 7. Main Aspects of the Real Property Tax

No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario
1	Statutory authority	<p>(a) The Assessment Act; R.S.N. 1970, c. 14 and amendments.</p> <p>(b) The Local Government Act; S.N. 1972, Act No. 32 and amendments.</p> <p>(c) Local School Tax Act; R.S.N. 1970, c. 220 and amendments.</p> <p>(d) The Forest Land (Management and Taxation) Act; S.N. 1974, Act No. 59 and amendments.</p>	<p>(a) Real Property Assessment Act; R.S.P.E.I. 1974 c. R-5 and amendments.</p> <p>(b) Real Property Tax Act; R.S.P.E.I. 1974, c. R-6 and amendments.</p> <p>(c) The School Act; R.S.P.E.I. 1974, c. S-2 and amendments.</p>	<p>(a) The Assessment Act; R.S.N.S. 1967, c. A-14 and amendments.</p> <p>(b) The Municipal Act; R.S.N.S. 1967, c. 192 and amendments.</p> <p>(c) The Education Act; R.S.N.S. 1967, c. 81 and amendments.</p> <p>(d) The Land Tax Act; R.S.N.S. 1967, c. 161 and amendments.</p> <p>(e) Halifax City Charter; S.N.S. 1963, c. 52 and amendments.</p>	<p>(a) The Assessment Act; R.S.N.B. 1973, c. A-14 and amendments.</p> <p>(b) Real Property Tax Act; R.S.N.B. 1973, c. R2 and amendments.</p>	<p>(a) Real Estate Assessment Act; S.Q. 1972, c. 50 and amendments.</p> <p>(b) The Cities and Towns Act; R.S.Q. 1964, c. 193 and amendments.</p> <p>(c) Municipal Code; S.Q. 1870, c. 68; revised in 1916 and further amended.</p> <p>(d) Quebec and Montreal Town Charters.</p> <p>(e) Education Act; R.S.Q. 1964, c. 235 and amendments.</p>	<p>(a) Assessment Act; R.S.O. 1970, c. 32 and amendments.</p> <p>(b) Municipal Act; R.S.O. 1970, c. 284 and amendments.</p> <p>(c) The Provincial Land Tax Act; R.S.O. 1970, c. 370 and amendments.</p> <p>(d) Separate Schools Act; R.S.O. 1970, c. 430 and amendments.</p>
2	Method of assessment	<p>(b) (c) Assessment at actual value by municipal assessors under the supervision of a provincial appointed director of assessments.</p> <p>(d) Fair market value of unmanaged land and net present value of managed land.</p>	<p>(a) (b) (c) Assessment made by the province at the market value or real value of real property considered either as commercial or non-commercial.</p> <p>(b) Special assessment for farmland based on type of ownership and economic factors determined by the Act and relevant Regulations.</p>	<p>(a) (c) Assessment made at the actual cash value of property.</p> <p>(d) Value of land assessed, for purposes of taxation, at \$2 an acre.</p> <p>(e) Assessed value as determined by the city assessor.</p>	<p>(a) Assessment made at real and true value of real property by provincial assessors.</p>	<p>(a) (b) (d) (e) Assessment made at real value of property in accordance with the provincial assessment handbook.</p>	<p>(a) Lands and buildings assessed at market value annually by provincial assessment commissioner. The province is divided into assessment areas and assessment districts.</p>
3	Rate determination	<p>(b) Determined by Municipal Councils.</p> <p>(c) Fixed annually by the Authority of the School Tax Area, whether as a real property or as a poll tax or both, who levies and collects it.</p> <p>(d) Persons holding timber rights are subject to a standard land tax not to exceed \$0.21 per acre. An additional tax of 5% on the fair market value of unmanaged land and of 1% on the net present value of managed land.</p>	<p>(a) (b) (c) Determined, levied and collected by the province.</p> <p>(b) The rate of tax levied on commercial realty is 1.5% and on all non-commercial realty is .75%.</p> <p>(c) Determined by Board of School Trustees after deducting the yield of the poll tax.</p>	<p>(a) Determined by City Councils.</p> <p>(c) Area rate on the assessed value of property, determined by municipality council, necessary to levy sums required by trustees of school authorities.</p> <p>(d) Determined and levied by the province on value of taxable land.</p>	<p>(b) Determined, levied and collected by the province; additional rates determined by regional school boards if necessary.</p> <p>(b) Rate determined annually to provide for local services within a local service district.</p> <p>(b) Real property - \$1.50 per \$100 of assessment for properties not occupied by the owner, the \$1.50 rate is being phased out in equal amounts over the four-year period, 1975 to 1978 for owner occupied properties.</p>	<p>(b) (c) (d) Determined by Municipal Councils.</p> <p>(e) A uniform rate of \$1.05 throughout the province, as determined by the Department of Education, but school boards are free to charge an additional rate to meet certain expenditure. School taxes are levied and collected by school boards in most of the province, except in the cities of Montreal, Quebec and Sherbrooke where collection is made on behalf of school boards by the municipality.</p>	<p>(b) Determined annually by Municipal Councils for general and public school purposes.</p> <p>(c) In unorganized regions, provincial property tax of 1 1/2%; minimum tax in respect of any land: \$6.</p> <p>(d) Determined by separate school boards but generally collected by the municipality.</p>

TABLE 7. Main Aspects of the Real Property Tax

Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.
<p>(a) The Municipal Assessment Act; R.S.M. 1970, c. M226 and amendments.</p> <p>(b) The Municipal Act; R.S.M. 1970, c. M225 and amendments.</p> <p>(c) Major cities' individual city charters.</p> <p>(d) The Public School Act; R.S.M. 1970, c. P250 and amendments.</p> <p>(e) The Northern Affairs Act; R.S.M. 1970, c. N100 and amendments.</p> <p>(f) The Local Government Districts Act; R.S.M. 1970, c. L190 and amendments.</p>	<p>(a) The Urban Municipalities Act; S.S. 1970, c. 78 and amendments.</p> <p>(b) The Rural Municipality Act; S.S. 1972, c. 101 and amendments.</p> <p>(c) The Local Improvement Districts Act; R.S.S. 1965, c. 151 and amendments.</p> <p>(d) The Northern Administration Act; R.S.S. 1965, c. 412 and amendments.</p> <p>(e) The School Assessment Act; R.S.S. 1965, c. 187 and amendments.</p>	<p>(a) The Municipalities Assessment and Equalization Act; R.S.A. 1970, c. 252 and amendments.</p> <p>(b) The Municipal Taxation Act; R.S.A. 1970, c. 251 and amendments.</p> <p>(c) The School Act; R.S.A. 1970, c. 329 and amendments.</p> <p>(d) The Electric Power and Pipe Line Assessment Act; R.S.A. 1970, c. 119 and amendments.</p>	<p>(a) The Assessment Act; S.B.C. 1974, c. 6 and amendments.</p> <p>(b) Municipal Act; R.S.B.C. 1960, c. 255 and amendments.</p> <p>(c) Public School Act; R.S.B.C. 1960, c. 319 and amendments.</p> <p>(d) Taxation Act; R.S.B.C. 1960, c. 376 and amendments.</p> <p>(e) Vancouver Charter, S.B.C. 1953, c. 55 and amendments.</p>	<p>Taxation Ordinance; O.Y.T. 1972, c. T13 and amendments.</p>	<p>(a) Municipal Ordinance; R.O.N.T. 1974, c. M-15.</p> <p>(b) Property Taxation Ordinance; O.N.T. 1975, c. T1.</p>	1
<p>(a) Lands assessed at full value. Buildings assessed at two-thirds of value. Business assessment is the annual rental value.</p> <p>(b) Provincial-municipal assessor to supervise municipal assessments and equalize assessments as between municipalities.</p> <p>(c) Provincial-municipal assessor to prepare balanced assessment for Public Schools Finance Board.</p>	<p>(a) Land assessed at a percentage of market value; buildings assessed at a percentage of base level value.</p> <p>(b) (c) (d) Land assessed at a percentage of market value; buildings assessed at a percentage of base level value.</p> <p>(e) Taxable assessment for municipal purposes.</p>	<p>(b) Real and personal property is assessed at varying rates and by varying means as outlined in the Department of Municipal Affairs assessment manual.</p>	<p>(a) Lands and improvements appraised at market value and placed on assessment roll at a fraction of the appraised value.</p> <p>(b) (c) (e) Land assessed at full value and improvements at 75% of full value.</p>	<p>Land assessed at fair value; improvements assessed in accordance with the assessment manual approved by the Commissioner.</p>	<p>(a) Land assessed at fair value; buildings at 2/3 of fair value.</p> <p>(a) Land and improvements assessed separately at fair actual value.</p>	2
<p>(b) Determined by municipal councils.</p> <p>(c) School tax: determined by municipal councils upon receipt of requisition of funds for school purposes from the provincial government and school boards.</p> <p>(d) A real property tax, at a rate determined by the province, may be levied and collected in unorganized northern areas by the Commissioner of Northern Affairs.</p>	<p>(a) (b) Determined by Municipal councils.</p> <p>(c) Determined by the Minister of Municipal Affairs.</p> <p>(d) Determined by the administrator of the Act.</p> <p>(e) Requisitions upon municipalities to levy amounts necessary to meet requirements of school boards.</p>	<p>(b) (d) Determined by Councils to meet amounts requisitioned upon them.</p> <p>(c) School boards must submit, in a prescribed form to municipalities, requisitions stating the amounts of property tax revenue to be raised by each municipality. This provision does not apply to school boards empowered to collect their own school taxes.</p> <p>(e) Each municipality should pay into the School Foundation Program Fund amounts resulting from applying a rate, not exceeding 32 mills, to the equalized assessment as established under the Act mentioned in (a).</p>	<p>(b) Determined by Municipal Councils for own requirements and those requisitioned upon them by various boards.</p> <p>(c) Determined by school boards and stated in their requisitions upon municipalities or upon the province in unorganized areas.</p> <p>(d) Determined by the province in unorganized area.</p> <p>(e) Determined by City Council.</p>	<p>Determined by Municipal Councils for real properties within municipal boundaries for both municipal and school purposes, and by territorial Councils for real properties in non-municipal organized areas for school purposes.</p>	<p>(a) Determined by the council of every district.</p> <p>(b) Determined by the Commissioner in unorganized areas for general purposes.</p> <p>(b) In addition the Commissioner may, for school purposes, levy in hamlets a property tax not exceeding 20 mills.</p>	3

TABLE 7. Main Aspects of the Real Property Tax - Concluded

No.	Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario
4	Main exemptions.	<p>(b) Crown property; lands and buildings used for educational or religious purposes; lands and buildings used in connection with a provincially subsidized hospital; lands and buildings used for library purposes; historical property; land used solely on a non-profit basis for community games, sports, athletics, etc., property used by a charitable or philanthropic institution. Other tax exemptions voted by Municipal Councils.</p> <p>(e) Real property of cheese and butter factories; public halls; orphanages; cemeteries; parochial residences; school; churches; hospitals.</p>	<p>(a) Crown property; church property; schools; municipal buildings; school lands; city, town and municipal property; firefighting equipment; property of widows and infants; agricultural society property; farm tools, livestock; tools of tradesmen; fishing equipment; farm produce; animals' pelts; sea products; railway stock; boats; property used in offshore petroleum exploration; Royal Canadian Legion; Boy Scouts; Girl Guides; hospital property; aircraft; village property; bomb shelter. Tax exemptions voted by Legislature.</p>	<p>(a) Real property owned by a church or religious order and used solely for religious, educational or charitable purposes; burying grounds; real property used for educational purposes and owned by universities and affiliated colleges and private schools; property owned by scientific, literary and historical societies; real property owned by charitable organizations or used by voluntary fire associations; real property to the extent of one acre of land used as resident by a self supporting wife with an income of less than \$5,000 where the assessed value does not exceed \$25,000 (maximum exemption \$4,000).</p>	<p>(b) Crown lands; federal, provincial and municipal property; property owned by fabriques, religious, charitable or educational institutions; churches; cemeteries; libraries; subsidized railway; private educational establishments and institutions; registry offices; exhibition property of agricultural and horticultural societies; property of school municipalities governed by special acts. Tax exemptions voted by Municipal Councils.</p>	<p>(a) Crown lands; Indian lands; churches; cemeteries; public educational institutions; philanthropic or religious seminaries; educational seminaries; public hospitals; highways; municipal property; Boy Scouts and Girl Guides; industrial farms; charitable institutions; children's aid societies; scientific or literary institutions; battle sites; exhibition buildings of companies; machinery for manufacturing or farming purposes; land used for forestry purposes; property of telephone and telegraph companies; religious institutions; navy leagues; mining buildings and minerals.</p>
5	Comments.	<p>(d) Lands under 300 acres, area situated in St. John's or Corner Brook; assessed under the Local Government Act.</p> <p>(e) Minimum real property tax of \$5. The cities of St. John's and Cornerbrook levy taxes under separate Acts.</p>	<p>Persons aged 65 years or over are exempt from property tax. Widow, unmarried women or deserted wife may have an exemption up to \$4,500.</p>	<p>School district and local service district tax rates are fixed annually by the Minister of Municipal Affairs.</p> <p>The province collects the provincial property tax and also collects the tax which a municipality desires to levy in addition to the provincial tax.</p>	<p>For municipalities governed by the Municipal Code, assessment is made by County Councils.</p> <p>Factors of correction are applied to municipal assessments for school tax purposes by the Department of Education.</p>	<p>(b) Minimum real property tax of \$1 levied by the province in unorganized areas.</p>

TABLE 7. Main Aspects of the Real Property Tax — Concluded

Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.
Crown lands; Indian lands; municipal lands; public and private school lands and buildings; hospitals; educational institutions; churches; Sunday schools; buildings used for religious purposes; public burying grounds; lands and buildings of old age homes; agricultural societies; colleges and seminaries; charitable institutions; Y.M.C.A.; Y.W.C.A.; Y.M.H.A.; municipal buildings for community purposes.	Crown property, Indian lands; place of public worship and connected land under certain conditions; certain cemeteries; certain property owned and occupied by a school district or school unit; hospital buildings and ground under certain conditions; Y.M.C.A.; Y.W.C.A.; law school established and maintained by the Benchers of the Law Society of Saskatchewan; municipal property; highways, lane, park; public libraries; building and grounds owned by a branch of the Royal Canadian Legion Saskatchewan Command; veterans and disabled veterans' association of Saskatchewan; the Canadian Mental Health Association; war memorial and ground connected therewith; Child Welfare Society; Agricultural Society; buildings owned by a rural municipality and used for municipal purposes.	Land and improvements owned by a municipality or the Crown; school buildings and school lands owned by a school district or school division; parcel of land held by or for the use of any religious body; building used for public worship or religious education; cemeteries; land of a provincially subsidized hospital; minerals; farm buildings; growing crops; irrigation works held by an irrigation district; property held by a public college or any educational institution; land and improvement vested in a library board.	Crown lands; municipal lands; public libraries; property vested in school boards; Indian lands; cemeteries; churches; homes for the aged; public hospitals; private education and institutions; fruit trees; farm improvements; parks or recreation facilities owned by another municipality; parks property used for athletic or recreational purposes; charitable organizations; agricultural and horticultural societies; historical sites; property used and land acquired for water purposes; fixture, machinery, etc., removable by tenants.	Crown land; land for the public use of the Territory; land used by municipalities; universities; libraries; hospitals; mental institutions, orphanages and homes for the aged supported entirely by the Territory; land used for cemeteries; land and buildings held by or for the use of divine service, public worship or religious education.	Property owned by a literary or scientific institute or society or orphanage, university, hospital, public library, asylum or home for the aged or infirm; property owned by a municipal district or held by the Crown; property used as a public or separate school; church; cemeteries.	4
		Pipelines, electric works and transmission lines are assessed under the <i>Electric Power and Pipe Line Assessment Act</i> ; R.S.A. 1970, c. 119 and amendments.	Taxes are levied on land alienated from the railway company under the <i>Esquimalt and Nanaimo Railway Belt Land Tax Act</i> ; R.S.B.C. 1960, c. 133.	A school tax is levied by the territorial government on the assessed value of real property outside a municipality's boundaries. There is a basic rate of school tax determined by the territorial Commissioner, collected by the municipalities and paid to the territorial treasurer.	In hamlet an education tax is levied on the assessed value of all lands by the territorial government.	5

PART IV

HISTORICAL TABLES OF THE MOST IMPORTANT TAXES

TABLE I. Personal Income Taxes Levied by the Federal Government, 1972 to 1977

No.	1972	1973	1974
	RATES		
	"Basic" personal income tax (as revised in 1971 for 1972 taxation year):		
1	17% on the first \$500 of taxable income \$ 85 on \$ 500 plus 18% on next \$ 500 175 " 1,000 " 19% " " 1,000 365 " 2,000 " 20% " " 1,000 565 " 3,000 " 21% " " 2,000 985 " 5,000 " 23% " " 2,000 1,445 " 7,000 " 25% " " 2,000 1,945 " 9,000 " 27% " " 2,000 2,485 " 11,000 " 31% " " 3,000 3,415 " 14,000 " 35% " " 10,000 6,915 " 24,000 " 39% " " 15,000 12,765 " 39,000 " 43% " " 21,000 21,795 " 60,000 " 47% " excess	15% on the first \$500 of taxable income \$ 75 on \$ 500 plus 18% on next \$ 500 165 " 1,000 " 19% " " 1,000 355 " 2,000 " 20% " " 1,000 555 " 3,000 " 21% " " 2,000 975 " 5,000 " 23% " " 2,000 1,435 " 7,000 " 25% " " 2,000 1,935 " 9,000 " 27% " " 2,000 2,475 " 11,000 " 31% " " 3,000 3,405 " 14,000 " 35% " " 10,000 6,905 " 24,000 " 39% " " 15,000 12,755 " 39,000 " 43% " " 21,000 21,785 " 60,000 " 47% " excess	12% on the first \$500 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% " " 22,386 23,207 " 63,960 " 47% " excess
	PERSONAL EXEMPTIONS		
2	Married taxpayer \$2,850	3,000	\$3,198
3	Single taxpayer 1,500	1,600	1,706
4	Dependant child 16 years of age 300	300	320
5	Other dependants 550	550	586
6	Taxpayer aged 65 years or over. 1,000	1,000	1,066
	DEDUCTIONS		
7	Employment expenses up to the lesser of 3% of employment income or \$150. Charitable donations up to 20% of net income. Gifts to the federal and provincial governments. Medical expenses in excess of 3% of net income. An optional standard deduction of \$100 in lieu of claiming charitable donations and medical expenses. \$1,000 for blind persons and persons confined to a bed or wheelchair. Payments of supplement under Old Age Security Act. \$50 for each month in attendance at a post-secondary institution for students and/or supporting individuals. Non-capital losses sustained in any of the five preceding years, net capital losses up to the amount of any taxable gains (maximum of \$1,000 may be deducted from other sources of income) and restricted farm losses of prior years to the extent of farm income.	Same as 1972	\$1,066 for blind persons and persons confined to a bed or wheelchair. Interest income up to \$1,000. Home Ownership Savings Plan up to \$1,000 in one year. Other deductions remain unchanged.
	TAX REDUCTIONS AND CREDITS		
8	General averaging when income exceeds 120% of average income of the preceding four years or 110% of income for the immediately preceding year. Averaging for farmers or fishermen for a block of five years. 24% tax abatement for income earned in Quebec in compensation for the province's opting-out of certain shared-cost programs. A general 3% reduction of basic federal tax (minimum of \$200 and maximum of \$500). A credit for dividends from Canadian corporations. (The amount of dividends received is increased by 33 1/3% and 20% of the so increased dividend is allowed as a credit against tax.) An <i>inter vivos</i> trust (other than mutual fund trust) established after June 17, 1971 which is taxed at the greater of 39% or rates applicable to individuals. A foreign tax credit is applicable to foreign non-business income and income from business carried on in a foreign country.	A general 5% reduction of basic tax (minimum reduction \$100, maximum \$500) replaces the 1972 reduction of 3%. Other reductions remain unchanged.	A portion of political contributions to registered parties and candidates up to a maximum of \$500. Other reductions remain unchanged.
	SPECIAL TAX		
9	30% on income earned in the Yukon and Northwest Territories and in another country.	Same as 1972	Same as 1972
	SURTAX		
10	Rate	-	-

TABLE I. Personal Income Taxes Levied by the Federal Government, 1972 to 1977

1975	1976	1977	No.
<p>9% on the first \$587 of taxable income</p> <p>\$ 52 on \$ 587 plus 18% on next \$ 587</p> <p>158 " 1,174 " 19% " " 1,174</p> <p>382 " 2,348 " 20% " " 1,174</p> <p>616 " 3,522 " 21% " " 2,348</p> <p>1,109 " 5,870 " 23% " " 2,348</p> <p>1,649 " 8,218 " 25% " " 2,348</p> <p>2,236 " 10,566 " 27% " " 2,348</p> <p>2,870 " 12,914 " 31% " " 3,522</p> <p>3,962 " 16,436 " 35% " " 11,740</p> <p>8,071 " 28,176 " 39% " " 17,610</p> <p>14,939 " 45,786 " 43% " " 24,654</p> <p>23,540 " 70,440 " 47% " excess</p>	<p>6% on the first \$654 of taxable income</p> <p>\$ 39 on \$ 654 plus 18% on next \$ 653</p> <p>157 " 1,307 " 19% " " 1,307</p> <p>405 " 2,614 " 20% " " 1,307</p> <p>667 " 3,921 " 21% " " 2,614</p> <p>1,216 " 6,535 " 23% " " 2,614</p> <p>1,817 " 9,149 " 25% " " 2,614</p> <p>2,470 " 11,763 " 27% " " 2,614</p> <p>3,176 " 14,377 " 31% " " 3,921</p> <p>4,392 " 18,298 " 35% " " 13,070</p> <p>8,966 " 31,368 " 39% " " 19,605</p> <p>16,612 " 50,973 " 43% " " 27,447</p> <p>28,414 " 78,420 " 47% " excess</p>	<p>6% on the first \$710 of taxable income</p> <p>\$ 43 on \$ 710 plus 16% on next \$ 709</p> <p>156 " 1,419 " 17% " " 1,419</p> <p>397 " 2,838 " 18% " " 1,419</p> <p>653 " 4,257 " 19% " " 2,838</p> <p>1,192 " 7,093 " 21% " " 2,838</p> <p>1,788 " 9,933 " 23% " " 2,838</p> <p>2,441 " 12,771 " 25% " " 2,838</p> <p>3,150 " 15,609 " 28% " " 4,257</p> <p>4,342 " 19,866 " 32% " " 14,190</p> <p>8,883 " 34,056 " 36% " " 21,285</p> <p>16,546 " 53,341 " 39% " " 29,799</p> <p>28,167 " 85,140 " 43% " excess</p>	1
<p>..... \$3,822</p> <p>..... 1,878</p> <p>..... 352</p> <p>..... 646</p> <p>..... 1,174</p>	<p>..... \$3,921</p> <p>..... 2,091</p> <p>..... 392</p> <p>..... 719</p> <p>..... 1,307</p>	<p>..... \$4,260</p> <p>..... 2,270</p> <p>..... 430</p> <p>..... 780</p> <p>..... 1,420</p>	2 3 4 5 6
<p>\$1,174 for blind persons and persons confined to a bed or wheelchair.</p> <p>Interest and Canadian dividend income up to \$1,000.</p> <p>\$1,000 for pension income other than universal pension plans.</p> <p>Other deductions remain unchanged.</p>	<p>\$1,307 for blind persons and persons confined to a bed or wheelchair.</p> <p>Other deductions remain unchanged.</p>	<p>Employment expenses up to the lesser of 3% of employment income or \$250.</p> <p>\$1,420 for blind persons and persons confined to a bed or wheelchair.</p> <p>Interest, dividends and capital gains on Canadian securities up to \$1,000.</p> <p>Non-capital losses sustained in any five preceding years, net capital losses up to the amount of any taxable capital gains (maximum \$2,000) may be deducted from other sources of income and restricted farm losses of prior years to the extent of farm income.</p> <p>Other deductions remain unchanged.</p>	7
<p>A general 8% reduction of basic federal tax (minimum \$200, maximum \$500) replaces the 1973 reduction of 8%.</p> <p>Other reductions remain unchanged.</p>	<p>Same as 1975</p>	<p>16.5% tax abatement for income earned in Quebec in compensation for the province's opting-out of certain shared-cost programs.</p> <p>A general 9% of tax payable with a minimum of \$200 and a maximum of \$500.</p> <p>25% of the taxable amount (actual amount plus one third of this amount) of dividends from taxable Canadian corporations.</p> <p>Other reductions remain unchanged.</p>	8
<p>Same as 1974</p>	<p>Same as 1975</p>	<p>43%</p>	9
	<p>10% on tax payable exceeding \$8,000.</p>	<p>The surtax is repealed.</p>	10

TABLE II. Personal Income Taxes Levied by the Province of Quebec, 1972 to 1977

No.	1972	1973	1974
	RATES		
1	10% on first \$2,000 of taxable income \$ 200 on \$ 2,000 plus 11% on next \$ 4,000 310 " 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% " excess	Same as 1972	Same as 1973
	Health insurance tax: 0.8% of net income; maximum: \$125 if at least 3/4 of net income is salary and \$200 otherwise.	Same as 1972	Same as 1973
	EXEMPTIONS		
2	Married taxpayer \$2,850 Single taxpayer 1,500 Child 16 years of age and over dependant on taxpayer 550 Taxpayer aged 65 years of age or over 650	Same as 1972	Same as 1973, except for the following: Taxpayer aged 65 years of age or over . . \$1,000
	Low income: No tax is payable if income does not exceed \$2,000 if single or \$4,000 if married.	Income levels raised to \$2,500 and \$5,000.	Income levels raised to \$2,600 and \$5,200. 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.
	DEDUCTIONS		
3	Employment expense: 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. \$650 for blind persons and persons confined to a bed or wheelchair. Union or professional dues: No restriction. Charitable donations: Up to 10% of income. Medical expenses: Over 3% of income or standard deduction of \$100 in lieu of claiming deductions for charitable donations and medical expenses.	Employment expense \$150 Other deductions remain unchanged.	\$1,000 for blind persons and persons confined to a bed or wheelchair. Interest income \$1,000 Other deductions remain unchanged.
	TAX CREDIT		
4	Credit for dividends from Canadian corporations: 50% of corresponding federal credit.	Same as 1972	Same as 1973

TABLE III. Personal Income Taxes Levied by the Provinces Other than Quebec, 1972 to 1977

No.	Province	1972	1973	1974
1	Newfoundland	36.0%	36.0%	40.0% (July 1)
2	Prince Edward Island	36.0%	36.0%	36.0%
3	Nova Scotia	38.5%	38.5%	38.5%
4	New Brunswick	41.5%	41.5%	41.5%
5	Ontario	29.585%	30.5%	30.5%
6	Manitoba	42.5%	42.5%	42.5%
7	Saskatchewan	37.0%	40.0%	40.0%
8	Alberta	36.0%	36.0%	36.0%
9	British Columbia	30.5%	30.5%	30.5%

TABLE II. Personal Income Taxes Levied by the Province of Quebec, 1972 to 1977

1975	1976	1977	No.
<p>0% on first \$2,000 of taxable income</p> <p>\$ 0 on \$ 2,000 plus 16% on next \$ 7,000</p> <p>1,120 " 9,000 " 18% " " 2,000</p> <p>1,480 " 11,000 " 20% " " 3,000</p> <p>2,080 " 14,000 " 22% " " 10,000</p> <p>4,280 " 24,000 " 24% " " 15,000</p> <p>7,880 " 39,000 " 26% " " 21,000</p> <p>12,340 " 60,000 " 28% " excess</p>	Same as 1975	Same as 1976	1
Same as 1974	<p>Health insurance tax:</p> <p>1.5% of net income; maximum: \$235 if at least 3/4 of net income is salary and \$375 otherwise.</p>	Same as 1976	
<p>Same as 1974, except for the following:</p> <p>Married taxpayer \$3,500</p> <p>Single taxpayer 1,600</p>	Same as 1975	Same as 1976	2
<p>Tax relief abandoned since the new income tax measures exempt from taxation income of \$3,931 for single taxpayers and \$5,957 for married taxpayers.</p>	Same as 1975	Same as 1976	
<p>Employment expenses \$500</p> <p>Interest and dividend income \$1,000</p> <p>Other deductions remain unchanged.</p>	Same as 1975	Same as 1976	3
Same as 1974	Same as 1975	Same as 1976	4

TABLE III. Personal Income Taxes Levied by the Provinces Other Than Quebec, 1972 to 1977

1975	1976	1977	No.
40.0%	42.0% (July 1)	58.0% (July 1)	1
36.0%	36.0%	50.0%	2
38.5%	38.5%	52.5%	3
41.5%	40.6%	55.5%	4
50.5%	30.5%	44.0%	5
42.5%	42.5%	56.0%	6
40.0%	40.0%	58.5%	7
36.0%	26.0%	38.5%	8
30.5%	32.5% (July 1)	46.0%	9

TABLE IV. Federal Corporation Income Tax, 1972 to 1977

No.		1972	1973	1974
1	General rate.	50%	49%	48%
2	Resource production profit.	50%	49%	50%
3	Deductions.	Charitable donations up to 20% of income. Gifts to the federal and provincial governments. Non-capital losses sustained in any of the five preceding years, net capital losses and restricted farm losses of prior years to the extent of a corporation's net capital gain and farm income respectively. Taxable dividends from a taxable Canadian corporation and from a controlled subsidiary resident in Canada with certain minor exceptions. (Dividends received from non-resident or foreign corporations are not generally deductible.)	Same as 1972	Same as 1973
4	Tax reductions and credits.	10% abatement of taxable income earned in a province. 7% reduction of tax payable. 25% for Canadian-controlled private corporation on first \$50,000 of active business income per year to the overall limit of \$500,000. Foreign tax credit. A logging tax deduction which is the lesser of 2/3 of logging taxes paid to a province or 6 2/3% of income from logging operations.	Same as 1972 except for the following: The reduction for Canadian-controlled private corporation is lowered to 24%. Introduction of a 9% reduction on manufacturing and processing profits.	Same as 1973 except for the following: The reduction for Canadian-controlled private corporation is lowered to 23% on the first \$100,000 of business income per year (maximum \$500,000). The reduction on manufacturing and processing profits is lowered to 8%. 15% reduction for mineral production profits. 12% reduction for oil and gas production profits. Political contributions tax credit. The 7% reduction of tax payable is repealed.
5	Special rules.	(i) Private corporations: A refund of 25% of corporate taxes paid in respect of Canadian investment income (other than dividends) when taxable dividends are paid to shareholders. (ii) Investment corporations: Investment income qualifies for 25% reduction in normal corporate rates; realized capital gains are taxed at normal corporate rates (refundable when gains are distributed to shareholders as capital gains dividends); dividends from taxable Canadian corporations are exempt.	Same as 1972	Same as 1973
6	Surtax.	None	None	10% on corporate profits earned from May 1, 1974 to April 30, 1975 (does not apply to investment, mortgage investment, mutual fund, non-resident-owned investment corporations or investment income of private corporations, manufacturing, processing petroleum or mining profits and Canadian-controlled private companies).

TABLE V. Provincial Corporation Income Taxes,¹ 1972 to 1977

No.		1972	1973	1974
1	Newfoundland.	13%	13%	13%
2	Prince Edward Island.	10%	10%	10%
3	Nova Scotia.	10%	10%	10%
4	New Brunswick.	10%	10%	10%
5	Quebec.	12%	12%	12%
6	Ontario.	12%	12%	12%
7	Manitoba.	13%	13%	13%
8	Saskatchewan.	10%	12%	12%
9	Alberta.	11%	11%	11%
10	British Columbia.	10%	12%	12%

¹ In all provinces, the tax base is the same as the federal income tax base, except in Quebec and Ontario where there are minor differences.

TABLE IV. Federal Corporation Income Tax, 1972 to 1977

1975	1976	1977	No.
47%	46%	46%	1
50%	No longer applicable	-	2
Same as 1974	Same as 1975	Same as 1976	3
Same as 1974 except for the following: The reduction for Canadian-controlled private corporation is lowered to 22%. The reduction on manufacturing and processing profits is lowered to 7%. A 5% investment tax credit is applicable to new buildings, machinery and equipment acquired between June 24, 1975 to July 1, 1977.	Same as 1975 except for the following: The reduction for Canadian-controlled private corporation is lowered to 21% on first \$150,000 (maximum \$750,000). The reduction on manufacturing and processing profits is lowered to 6%. The 15% reduction for mineral production is no longer applicable. The 12% reduction for oil and gas production profits is no longer applicable.	Same as 1976 except for the following: 5% investment tax credit applicable to new buildings, machinery and equipment acquired between June 24, 1975 and July 1, 1980. (Higher rates for designated regions.) 3% of the value of inventory on hand at the beginning of the corporation fiscal year.	4
Same as 1974	Same as 1975	Same as 1976	5
Same as 1974	No longer applicable	Same as 1976	6

TABLE V. Provincial Corporation Income Taxes,¹ 1972 to 1977

1975	1976	1977	No.
13%	14%	14%	1
10%	10%	10%	2
10%	12%	12%	3
10%	10%	12%	4
12%	12%	12%	5
12%	12%	12%	6
13%	15%	15%	7
12%	12%	14%	8
11%	11%	11%	9
13%	15%	15%	10

TABLE VI. Federal and Provincial General Sales Taxes, 1972 to 1977

No.		1972	1973	1974
1	I. Federal sales tax (imposed on manufacturer's selling price of domestic products and duty paid value of imported goods):			
2	General rate	12%	12%	12%
	Special rate	Building materials and heating equipment: 11%.	Same as 1972	Construction materials and equipment for buildings: 5%. (Effective November 19.)
	EXEMPTIONS			
3	Unless otherwise specified these are new exemptions	Articles manufactured by handicapped (effective May 9), production machinery: since June 2, 1967.	Confectioneries, chocolate bars, soft drinks, fruit drinks and similar near food products; children's clothing, shoes and other footwear.	Clothing and footwear.
	II. Provincial sales taxes (imposed on retail price):			
4	Newfoundland	7%	7%	8% (April 10)
5	Prince Edward Island	8%	8%	8%
6	Nova Scotia	7%	7%	7%
7	New Brunswick	8%	8%	8%
8	Quebec	8%	8%	8%
9	Ontario: (a) General	5%	7% (May 1)	7%
10	(b) Meals and alcoholic beverages	10%	10%	10%
11	Manitoba: (a) General	5%	5%	5%
12	(b) Spirits, wines and imported beer	10% (June 1)	10%	10%
13	Saskatchewan	5%	5%	5%
14	British Columbia	5%	5%	5%
	EXEMPTIONS			
15	Unless otherwise specified, these are new exemptions	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.	Nova Scotia: Larger sizes of children's clothing and footwear; all merchandise, except automotive equipment and parts, sold to Indians on reservations for their own use. Quebec: Exemption for meals raised from \$1.25 to \$1.50. Small sale exemption raised from \$0.10 to \$0.15. Ontario: Exemption for meals increased from \$2.50 to \$4. Seeds, bulbs, natural flowers, etc., household pets. Saskatchewan: Repeal of the exemption on railway rolling stocks, ties and steel rails.	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 \$0.11 to \$0.16. Prepared meals of less than \$2.01 exempted. Refund of sales tax to newlyweds for up to \$1,000 purchases of furniture and other household supplies within the first year of marriage. Books and other printed material of informational or literary value. New Brunswick: Clothing and footwear, microfilm purchases by libraries (containing information equivalent 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.

TABLE VI. Federal and Provincial General Sales Taxes, 1972 to 1977

1975	1976	1977	No.
12% Same as 1974	12% Same as 1975	12% Petroleum products: Gasoline Grade 1 \$0.05507 per gallon Gasoline Grade 2 0.04918 " " Gasoline No lead 0.05132 " " Diesel fuel 0.04618 " "	1 2
Insulation materials.	Certain energy-saving equipment such as solar furnaces and wind-powered generating equipment.	Wheelchairs and lifts, tricycles, coinage, tapes, tries, buses and vans for transporting the handicapped and 50% of the value of metric scales.	3
8%	10% (November 24)	10%	4
8%	8%	8%	5
7%	8%	8%	6
8%	(March 20)	8%	7
8%	8%	8%	8
5% (April 8)	7% (January 1)	7%	9
10%	10%	10%	10
5%	5%	5%	11
10%	10%	10%	12
5%	5%	5%	13
5%	7% (March 27)	7%	14
Prince Edward Island: Small sales exemption raised from \$0.16 to \$0.26.	Newfoundland: Clothing. Small sales exemptions raised to \$0.20 from \$0.08.	Newfoundland: Exemption for meals less than \$3; 50% of the sale price of mobile homes. Insulation materials.	15
Nova Scotia: Anti-pollution equipment and devices purchased by manufacturers, producers and processors or other designated persons.	Prince Edward Island: Insulating materials and certain alternate energy sources.	Nova Scotia: Thermal insulation materials.	
New Brunswick: Laundry and drycleaning services.	Quebec: Production equipment bought or rented for the production of moveable property for resale. Conditional materials if they are used directly in the production of moveable property for resale.	New Brunswick: Basic sales tax exemption increased from \$0.11 to \$0.25.	
Quebec: Exemption for meals increased from \$1.49 to \$2. Small purchases exemption increased from \$0.15 to \$0.25. Industrial machinery exemption extended to March 31, 1977.	Ontario: Purchases of insulation materials used in existing houses. Prepared meals of less than \$5 exempted.	Quebec: Used residential mobile homes and 50% of the sale price of new units. Sale or rental of tools used to produce saleable moveable goods. Exemption for children's clothing and shoes repealed.	
Ontario: Machinery and equipment for production and/or construction purposes exempt to December 31, 1977.	Manitoba: Repeal of the exemption on railway rolling stock.	Ontario: Exemption for meals increased from \$5 to \$6. Disposable items used by the accommodation industry in guest rooms. Exemption extended to include a wider range of energy conservation materials and equipment. The exemption on the price of admission to places of amusement increased from \$0.75 to \$3.00.	
Saskatchewan: Restaurant meals; books and other reading materials.		Manitoba: Insulation materials used in residential construction. British Columbia: Steel granaries purchased by farmers for storing grain on their farms.	

TABLE VII. Provincial Taxes on Motive Fuels, 1972 to 1977

No.	Province	1972	1973
		rates per gallon	
	Newfoundland:		
1	Gasoline, diesel and aviation fuel	\$0.25 (Since April 1, 1968)	\$0.25
	Prince Edward Island:		
2	Gasoline	\$0.21 (Since March 20, 1968)	\$0.21
3	Diesel fuel	\$0.25 (April 19)	\$0.25
	Nova Scotia:		
4	Gasoline	\$0.21 (Since April 4, 1969)	\$0.21
5	Diesel fuel	\$0.27	\$0.27
6	Aviation fuel	\$0.03 (Since August 1, 1971)	\$0.03
	New Brunswick:		
7	Gasoline	\$0.20 (Since April 1, 1969)	\$0.20
8	Diesel fuel	\$0.23 (Since 1966)	\$0.23
9	Aviation fuel	\$0.03 (Since May 15, 1971)	\$0.03
	Quebec:		
10	Gasoline	\$0.19	\$0.19
11	Diesel fuel	\$0.25	\$0.25
12	Aviation fuel	\$0.03 } (Since March 28, 1968)	\$0.03
	Ontario:		
13	Gasoline	\$0.19	\$0.19
14	Diesel fuel	\$0.25 } (March 29, 1972)	\$0.25
15	Aviation fuel	\$0.03 (Since May 13, 1968)	\$0.03
	Manitoba:		
16	Gasoline	\$0.17	\$0.17
17	Diesel fuel	\$0.20 } (Since October 19, 1964)	\$0.20
18	Aviation fuel	\$0.02	\$0.02
	Saskatchewan:		
19	Gasoline	\$0.19	\$0.19
20	Diesel fuel	\$0.21 } (Since March 3, 1970)	\$0.21
21	Aviation fuel	\$0.04	\$0.04
	Alberta:		
22	Gasoline	\$0.15	\$0.15
23	Diesel fuel	\$0.17 } (Since June 1, 1968)	\$0.17
24	Aviation fuel	\$0.03	\$0.03
	British Columbia:		
25	Gasoline	\$0.15	\$0.15
26	Diesel fuel	\$0.17 } (Since February 5, 1971)	\$0.17
27	Aviation fuel	\$0.03	\$0.03
	Yukon:		
28	Gasoline	\$0.14	\$0.14
29	Diesel fuel	\$0.14 } (Since June 1, 1971)	\$0.16 (April 1)
30	Aviation fuel	\$0.02	\$0.02
	Northwest Territories:		
31	Gasoline	\$0.14	\$0.14
32	Diesel fuel	\$0.15 } (Since April 1, 1971)	\$0.15
33	Aviation fuel	\$0.025	\$0.025

TABLE VII. Provincial Taxes on Motive Fuels, 1972 to 1977

1974	1975	1976	1977	No.
rates per gallon				
\$0.25	\$0.25	\$0.27 (March 26)	\$0.27	1
\$0.21	\$0.21	\$0.21	\$0.21	2
\$0.25	\$0.25	\$0.25	\$0.25	3
\$0.21	\$0.21	\$0.21	\$0.21	4
\$0.27	\$0.27	\$0.27	\$0.27	5
\$0.03	\$0.03	\$0.03	\$0.03	6
\$0.20	\$0.20	\$0.20	\$0.20	7
\$0.23	\$0.23	\$0.23	\$0.23	8
\$0.03	\$0.03	\$0.03	\$0.03	9
\$0.19	\$0.19	\$0.19	\$0.19	10
\$0.25	\$0.25	\$0.25	\$0.25	11
\$0.03	\$0.03	\$0.03	\$0.03	12
\$0.19	\$0.19	\$0.19	\$0.19	13
\$0.25	\$0.25	\$0.25	\$0.25	14
\$0.03	\$0.03	\$0.03	\$0.03	15
\$0.15 } (July \$0.18 } 1) \$0.02	\$0.18 } (May \$0.21 } 19) \$0.03 }	\$0.18 \$0.21 \$0.05 (May 17)	\$0.18 \$0.21 \$0.05	16
\$0.12 } (May \$0.16 } 15) \$0.04	\$0.12 \$0.16 \$0.04	\$0.15 } (March \$0.21 } 25) \$0.04	\$0.19 } (March \$0.266 } 11) \$0.04	19
\$0.10 } (April \$0.12 } 1) \$0.03	\$0.10 \$0.12 \$0.03	\$0.10 \$0.12 \$0.03	\$0.10 \$0.12 \$0.03	22
\$0.15 \$0.17 \$0.03	\$0.17 } (February \$0.19 } 28) \$0.05 }	\$0.17 \$0.19 \$0.05	\$0.17 \$0.19 \$0.05	25
\$0.14 \$0.16	\$0.14 \$0.16	\$0.14 \$0.16	\$0.14 \$0.16	28
\$0.02	\$0.02	\$0.02	\$0.02	29
\$0.14 \$0.15 \$0.025	\$0.14 \$0.15 \$0.025	\$0.14 \$0.15 \$0.025	\$0.14 \$0.15 \$0.025	31
				32
				33

TABLE VIII. Provincial Taxes on Tobacco Products, 1972 to 1977

No.		1972	1973
Newfoundland:			
1	Cigarettes (per cigarette)	\$0.01	\$0.01
2	Cigars (per cigar)	\$0.02 to \$0.20	\$0.02 to \$0.20
3	Other tobacco products (per 1/2 ounce)	\$0.04 (June 1)	\$0.04
Prince Edward Island:			
4	Cigarettes (per cigarette)	\$0.004	\$0.004
5	Cigars (per cigar)	\$0.01 to \$0.07	\$0.01 to \$0.07
6	Other tobacco products	\$0.46 and over: 20% 20% of retail price (Since March 20, 1968)	\$0.46 and over: 20% 20% of retail price
Nova Scotia:			
7	Cigarettes (per cigarette)	\$0.004	\$0.004
8	Other tobacco products (% of retail price)	10% (Since April 4, 1969)	10%
New Brunswick:			
9	Cigarettes (per cigarette)	\$0.004	\$0.004
10	Cigars (for each \$0.05 of retail price per cigar)	\$0.01	\$0.01
11	Other tobacco products (per ounce)	\$0.04 (Since April 1, 1969)	\$0.04
Quebec:			
12	Cigarettes (per cigarette)	\$0.004	\$0.004
13	Cigars (per cigar)	\$0.05 to 0.10: \$0.01 over \$0.10: 20% 20% (Since March 28, 1968)	\$0.05 to 0.10: \$0.01 over \$0.10: 20% 20%
14	Manufactured tobacco (% of retail price)		
Ontario:			
15	Cigarettes (per cigarette)	\$0.0046	\$0.0046
16	Cigars (per cigar)	\$0.01 to \$0.02 over \$0.10: \$0.01 add. per \$0.05	\$0.01 to \$0.02 over \$0.10: \$0.01 add. per \$0.05
17	Other tobacco products (per 1/2 ounce)	\$0.025 (March 29)	\$0.025
Manitoba:			
18	Cigarettes (per cigarette)	\$0.006	\$0.006
19	Cigars (per cigar)	\$0.01 to \$0.15	\$0.01 to \$0.15
20	Manufactured tobacco (per 1/2 ounce)	\$0.03 (May 1)	\$0.03
Saskatchewan:			
21	Cigarettes (per cigarette)	\$0.0032	\$0.0036
22	Cigars (per cigar)	\$0.0036	
23	Manufactured tobacco (per 1/2 ounce)	\$0.01 to \$0.10 \$0.02 (Since March 1, 1968)	\$0.01 to \$0.04 \$0.02 (February 9)
Alberta:			
24	Cigarettes (per cigarette)	\$0.0032	\$0.0032
25	Cigars (per cigar)	\$0.01 to \$0.09	\$0.01 to \$0.09
26	Other tobacco products (per 1/2 ounce)	\$0.02 (Since June 30, 1969)	\$0.02
British Columbia:			
27	Cigarettes (per cigarette)	\$0.0032	\$0.0032
28	Cigars (per cigar)	\$0.01 to \$0.09	\$0.01 to \$0.09
29	Other tobacco products (per 1/2 ounce)	\$0.02 (Since February 5, 1971)	\$0.02
Yukon:			
30	Cigarettes (per cigarette)	Nil	Nil
31	Cigars (per cigar)	Nil	Nil
32	Other tobacco products (per 1/2 ounce)	Nil	Nil
Northwest Territories:			
33	Cigarettes (per cigarette)	Nil	Nil
34	Cigars (per cigar)	Nil	Nil

TABLE VIII. Provincial Taxes on Tobacco Products, 1972 to 1977

1974	1975	1976	1977	No.
\$0.01	\$0.01	\$0.01	\$0.012	1
\$0.02 to \$0.20	\$0.02 to \$0.20	\$0.02 to \$0.20	\$0.04 to \$0.24	2
\$0.04	\$0.04	\$0.04	\$0.05 (April 28)	3
\$0.004	\$0.008 (May 13)	\$0.008	\$0.008	4
\$0.01 to \$0.07	\$0.01 to \$0.07	\$0.01 to \$0.07	\$0.01 to \$0.07	5
\$0.46 and over: 20% 20% of retail price	\$0.46 and over: 20% \$0.03 per 1/2 ounce unit (May 13)	\$0.46 and over: 20% \$0.03 per 1/2 ounce unit	\$0.46 and over: 20% \$0.03 per 1/2 ounce unit	6
\$0.004	\$0.004	\$0.005 (March 20)	\$0.006	7
10%	10%	10%	15% (March 30)	8
\$0.004	\$0.004	\$0.004	\$0.004	9
\$0.01	\$0.01	\$0.01	\$0.01	10
\$0.04	\$0.04	\$0.04	\$0.04	11
\$0.004	\$0.004	\$0.008	\$0.008	12
\$0.05 to \$0.10: \$0.01 over \$0.10: 20%	\$0.05 to \$0.10: \$0.01 over \$0.10: 20%	\$0.05 to \$0.10: \$0.01 over \$0.10: 25%	\$0.05 to \$0.10: \$0.01 over \$0.10: 25%	13
20%	20%	25% (May 12)	25%	14
\$0.0046	\$0.0046	\$0.0071	\$0.0096	15
\$0.01 to \$0.02	\$0.01 to \$0.02	\$0.01 to \$0.04	\$0.02 to \$0.04	16
over \$0.10: \$0.01 add. per \$0.05	over \$0.10: \$0.01 add. per \$0.05	over \$0.20: \$0.01 add. per \$0.05	over \$0.10: \$0.02 add. per \$0.05	17
\$0.025	\$0.025	\$0.025 (April 7)	\$0.05 (June 28)	18
\$0.006	\$0.006	\$0.008	\$0.008	19
\$0.01 to \$0.15	\$0.01 to \$0.15	\$0.02 to \$0.20	\$0.02 to \$0.20	20
\$0.03	\$0.03	\$0.04 (May 17)	\$0.04	
\$0.0036	\$0.0036	\$0.006 (March 24)	\$0.008	21
\$0.01 to \$0.04	\$0.01 to \$0.04	\$0.01 to \$0.04	\$0.02 to \$0.08	22
\$0.02	\$0.02	\$0.02	\$0.04 (effective March 11)	23
\$0.0032	\$0.0032	\$0.0032	\$0.0032	24
\$0.01 to \$0.09	\$0.01 to \$0.09	\$0.01 to \$0.09	\$0.01 to \$0.09	25
\$0.02	\$0.02	\$0.02	\$0.02	26
\$0.0032	\$0.0032	\$0.0048	\$0.0048	27
\$0.01 to \$0.09	\$0.01 to \$0.09	\$0.01 to \$0.15	\$0.01 to \$0.15	28
\$0.02	\$0.02	\$0.03 (March 27)	\$0.03	29
\$0.004	\$0.004	\$0.006	\$0.006	30
\$0.01 to \$0.09	\$0.01 to \$0.09	\$0.01 to \$0.10	\$0.01 to \$0.10	31
\$0.02 (June 1)	\$0.02	\$0.03 (April 1)	\$0.03	32
\$0.0032	\$0.0032	\$0.0032	\$0.0032	33
\$0.01 to \$0.09 (April 1)	\$0.01 to \$0.09	\$0.01 to \$0.09	\$0.01 to \$0.09	34

TABLE IX. Federal Taxes on Alcoholic Beverages and Tobacco Products, 1972 to 1977

	1972 and 1973	1974	1975	1976	1977
Beer	Excise duty: \$0.42 per gallon.	Same as 1972 and 1973	Same as 1974	Same as 1975	Same as 1976
Spirituous other than Canadian brandy	Excise duty: \$14.25 per proof gallon.	Increased to \$16.25 effective November 18.	Same as 1974	Same as 1975	Same as 1976
Canadian brandy	Excise duty \$12.25 per proof gallon.	Increased to \$14.25 effective November 18.	Same as 1974	Same as 1975	Same as 1976
Spirits sold to druggists and used in the preparation of prescription	Excise duty: \$1.50 per proof gallon.	Same as 1972 and 1973	Same as 1974	Same as 1975	Same as 1976
Imported spirits taken into bonded manufactory	Excise duty: \$0.30 per proof gallon (in addition to other duties).	Same as 1972 and 1973	Same as 1974	Same as 1975	Same as 1976
Wines:					
(a) Containing 7% or less of absolute alcohol by volume	Excise tax: \$0.275 per gallon.	Increased to \$0.475 effective November 18.	Decreased to \$0.275 effective June 23.	Same as 1975	Same as 1976
(b) Non-sparkling and containing more than 7% of absolute alcohol by volume but not over 40% of proof spirit	Excise tax: \$0.55 per gallon.	Increased to \$0.95 effective November 18.	Decreased to \$0.55 effective June 23.	Same as 1975	Same as 1976
(c) Champagne and other sparkling wines	Excise tax: \$2.55 per gallon.	Increased to \$2.95 effective November 18.	Decreased to \$2.55 effective June 23.	Same as 1975	Same as 1976
Cigarettes	Excise tax: \$0.03 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.	Increase of excise duty to \$5 per 1,000 cigarettes weighing less than 3 lb. per 1,000 and to \$6 per 1,000 cigarettes weighing more than 3 lb. per 1,000 effective November 18.	Same as 1974	Same as 1975	Same as 1976
Cigars	Excise tax: 17 1/2% plus excise duty of \$2 per 1,000 cigars.	Increase of excise tax to 20 1/2% effective November 18.	Same as 1974	Same as 1975	Same as 1976
Manufactured tobacco	Excise tax: \$0.90 per lb. plus excise duty of \$0.35 per lb.	Increase of excise duty to \$0.50 per lb. effective November 18.	Same as 1974	Same as 1975	Same as 1976
Canadian raw leaf tobacco	Excise duty: \$0.10 per lb.	Same as 1972 and 1973	Same as 1974	Same as 1975	Same as 1976

Notes: 1. All goods subject to federal excise tax and/or duty are also subject to the federal manufacturers' sales tax. However, for purposes of the manufacturers' sales tax, the taxable value includes the excise duty but not the excise tax.

2. Excise duties and certain excise taxes are not levied as such on imported products; they are included in the customs duty payable, the rates of which are set and take account of such levies.

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