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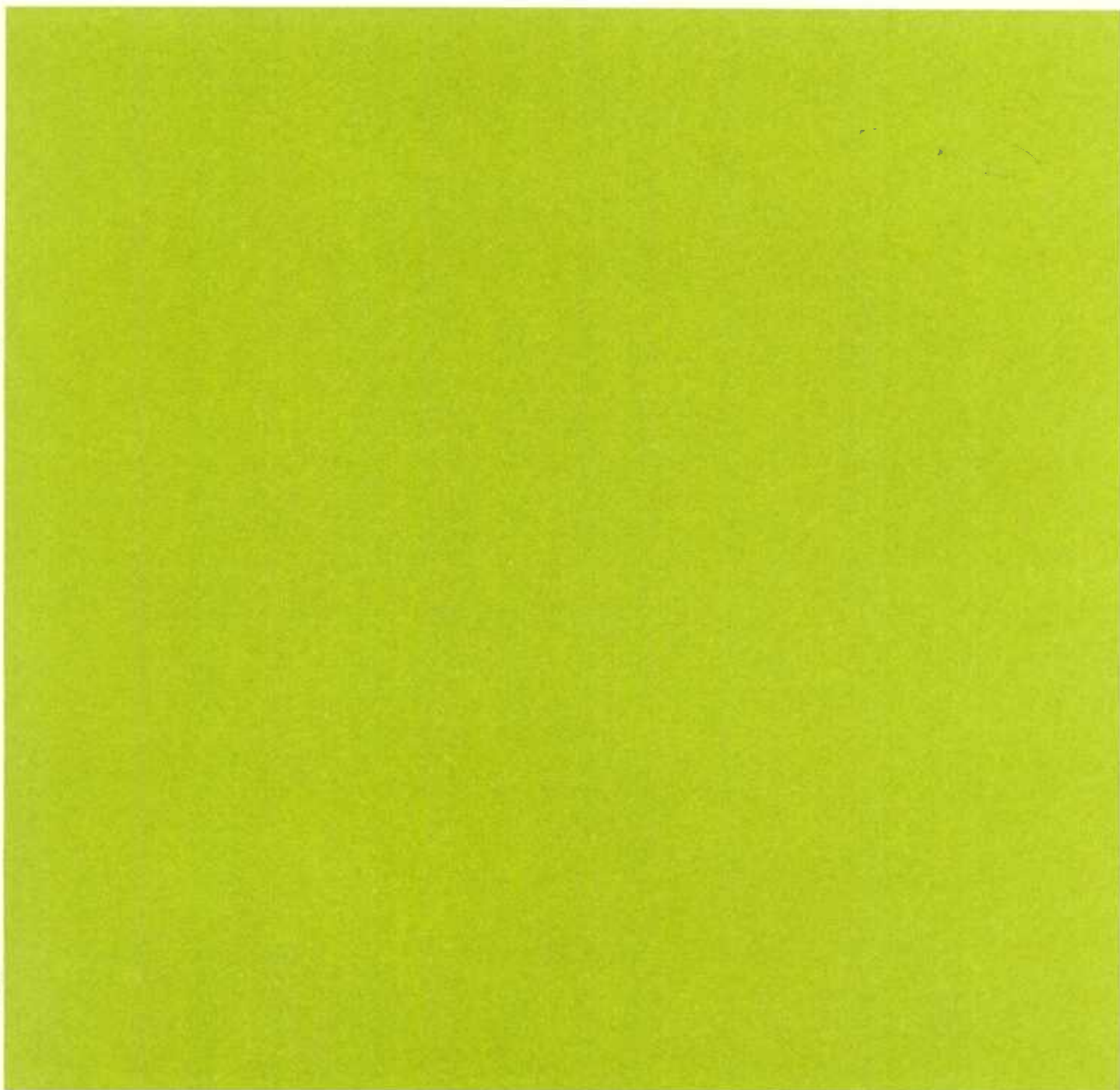
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1978



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STATISTICS CANADA  
Public Finance Division

## PRINCIPAL TAXES IN CANADA

1978

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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, this publication is divided into the following sections:

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 effect as of and changes proposed prior to July 1, 1978 (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 effect 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 levels of government are briefly described below.

### Government Structure

Canada is a federal state with a central government, ten 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-nineteenth century, the definition of direct taxes formulated by J.S. Mill:<sup>1</sup> "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 (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) are direct taxes. 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 the 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 is the case with the provincial provincial legislation. The **Estate Tax Act** was repealed in 1971. Most provinces have abolished their succession duties between 1972 and 1977. As of 1978, only two provinces are still levying such duties.

### 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 income tax 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 were the first of a 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 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. Furthermore, the federal government offered to collect,

<sup>1</sup> J.S. Mill, *Principles of Political Economy*, Book V, Chapter iii.

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 have dealt with areas of public interest in which joint federal-provincial actions are considered desirable. The main Acts presently governing such arrangements are: the Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977 and the Federal-Provincial Fiscal Revision Act, 1964.

The main federal-provincial fiscal arrangements governed by the first Act mentioned above are the fiscal equalization payments, fiscal stabilization payments to the provinces, tax collections agreements, provincial

personal income tax revenue guarantee payments, transfer payments with respect to the tax on 1971 undistributed income on hand, the financing of established programs (post-secondary education, hospital insurance, medical care and extended health care services programs) and reciprocity agreements concerning provincial taxes and fees. Under the second Act, special arrangements are spelled out pertaining to Quebec's opting-out in 1964 of the programs listed above. For more information on these arrangements and agreements, the reader is referred to the 1977 issue of this publications.

The following table sets out the amounts paid by the federal government to provincial governments during the fiscal year 1977 - 78 pursuant to the 1972 and 1977 fiscal arrangements.

**Payments to the Provinces Pursuant to the 1972 and 1977 Federal-Provincial Fiscal Arrangement  
1977 - 78**

	\$'000
Equalization . . . . .	2,521,203
Stabilization . . . . .	—
Tax collections:	
Personal income tax . . . . .	4,922,924
Corporation income tax . . . . .	761,661
Tax revenue guarantee:	
Personal income tax . . . . .	539,343
Corporation income tax . . . . .	61,040
Tax on 1971 undistributed income on hand . . . . .	15,282
Established programs financing:	
Post-secondary education . . . . .	1,050,240
Hospital insurance . . . . .	1,717,114
Medical Care services . . . . .	574,465
Extended health care services . . . . .	465,825
Special Welfare (Part VII, 1977 Act) . . . . .	462,305
<b>Total, established programs financing . . . . .</b>	<b>4,269,949</b>
Reciprocity Agreements concerning provincial taxes and fees . . . . .	46,649
<b>Total payments . . . . .</b>	<b>13,138,051</b>

**NOTE**

In the tables of this publication, the statutory authority under which taxes are levied by the federal and provincial governments is provided. The 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. E-13 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 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 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.

For income tax purposes "residence" is the place where a taxpayer resides or where he maintains a dwelling ready at all times for his own use. The meaning of the term "residence" also extends to persons who have sojourned in Canada for an aggregate period of 183 days in a taxation year. It also includes Canadians who work outside Canada under certain international assistance programs. However, Canada has entered into international assistance programs. However, 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

Two concepts of "income" are used in the Canadian tax laws: income and taxable income.

Income includes all earnings from sources inside or outside Canada, 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) income in the form of pensions, unemployment insurance benefits, retiring allowances, death benefits, alimony, maintenance payments, annuity payments, adult training allowances, scholarships, bursaries, research grants and family allowances.

Income excludes, however, employment expenses up to the lesser of 3% of employment income or \$250 as well as war service disability pensions, social assistance payments, compensation in respect of an injury or death under a provincial Workmen's Compensation Act and family income security payments.

The term "net income" does not appear in the **Income Tax Act** but it does on the taxpayer's individual tax return. Net income is determined by deducting certain payments from income as defined above. These payments include contributions to universal pension plans, unemployment insurance premiums, contributions to a pension plan, registered retirement savings plan, registered home ownership savings plan, education savings plan; annual union and professional dues, tuition fees, child care expenses and other miscellaneous payments specified in the Act.

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 I. Income levels in each tax brackets contained in this table take into account an estimated increase of 7.2% in the Consumer Price Index in 1978.

#### Corporation Income Tax

Under the **Income Tax Act**, the federal government levies a tax upon income from anywhere in the world of corporations resident in Canada and upon the income attributable to operations in Canada of non-resident corporations carrying on business in this country.

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 (interest, dividend, rents and royalties) and gains 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.

#### (a) Rates

The standard rate of corporation income tax is 46%. However, in order to make room for provincial income taxes, the provinces have been granted an abatement of 10% of federal tax otherwise payable on income earned in a province. As a result, the effective federal rate on corporation income earned in any one of

the provinces is 36%. Provinces can and do establish rates above the federal 10% abatement, thus determining the weight of their own tax.

A special provision reduces the standard rate to 40% on Canadian manufacturing and processing profits. Furthermore, a "small business deduction" reduces the standard rate on certain business income to 25%, which is further reduced to 20% on Canadian manufacturing and processing profits. This small business deduction is restricted to private Canadian corporations which are not controlled by a non-resident or by a Canadian public corporation. It applies only to income from an active business carried on in Canada and not to investment income. The maximum amount of taxable income on which the deduction may be calculated is \$150,000 in any one year. A corporation is entitled to this deduction until it has accumulated and retained \$750,000 of taxable income since 1971. The 10% abatement granted to the provinces similarly applies to these and other special rates.

As of January 1, 1978 the investment income (other than dividends) of private corporations is subject to the standard rate of federal tax, i.e., 46%. The refundable dividend tax on hand at the end of 1977 is reduced to two thirds of the amount otherwise determined and, when related to investment income, it can be accumulated at a rate of one sixth of investment income, as of 1978, instead of the previous rate of one-quarter, when dividends are paid to shareholders. Further, the rate of tax on certain dividend income received by private companies is reduced to 25% from 33 1/3% after 1977.

The basic rate of tax on resource production profits was lowered, as of January 1976, from 50% to the standard rate of 46%. From May 7, 1974 to January 1, 1976, mining production profits were subject to an additional 15% abatement to the provinces over and above the basic 10% abatement. Petroleum profits were also subject to an additional abatement. In 1974 the abatement was 10%, in 1975: 12%; and for 1976, the abatement was scheduled to be 15%. However as of January 1, 1976, the extra resource abatement was repealed and replaced with a 25% resource allowance. This resource allowance is deductible from production income, calculated after deducting operating expenses and capital cost allowances, but before deducting interest, exploration and development costs and earned depletion.

Rules are provided for the taxation of special-purpose companies such as Canadian investment and mutual fund corporations, life insurance companies, cooperatives and non-resident-owned investment companies.

## (b) Deductions

Corporations may deduct over a period of years the capital cost of all depreciable property. The normal capital cost allowances are computed each year on the diminishing balance principle. Regulations have established a number of classes of property and maximum rates. Typical rates include 5% for most buildings, 20% for machinery and 30% for automobiles. Accelerated depreciation (full write-off in two years) is allowed in respect of manufacturing and processing machinery and equipment purchased by manufacturers after May 8, 1972 for use in Canada. The two-year fast write-off applies to purchases of pollution abatement equipment. Current or capital expenditures on scientific research related to the business of the taxpayer may be written off in the year incurred or in a subsequent year.

The May and November budgets of 1974 introduced changes in the method of assessment of taxable resource income. One innovation was the differentiation between exploration and development expenses. A corporation whose principal business is mining, oil production or a related activity may deduct Canadian exploration expenses (as defined) from income from any source in the year in which the expenses are incurred. Any unused balance can be carried forward indefinitely. Corporations which do not meet the principal business test may deduct, in the year incurred, Canadian exploration expenses effected between May 25, 1976 and July 1, 1979. For such corporations, Canadian exploration expenses incurred on or before May 25, 1976 must be amortized at 30% on a declining balance basis. For all corporations, the amount which may be deducted for Canadian development expenses (as defined) may not exceed 30% of the unamortized balance.

The system of earned depletion provides an additional deduction to the taxpayer. Previously, depletion was automatic. The post May 6, 1974 system requires that businesses must incur certain exploration and development expenses before they can take advantage of the depletion deduction, hence the term "earned depletion". One third of exploration and development costs incurred by a firm after November 7, 1969 constitutes the "earned depletion base". Certain expenses, notably capitalized interest costs and the costs of acquiring resource properties are not included in the calculation of the earned depletion base. The earned depletion base can be carried forward indefinitely. The total permissible deduction in a given year is the lesser of the earned depletion base and 25% of resource profits. Prior to the May 1974 budget, the upward limit was 33 1/3% of resource profits.

The resource allowance deduction has already been discussed in the previous paragraphs on rates of tax. Because, as of May 6, 1974, provincial royalties are no longer deductible in computing income for tax purposes, the resource allowance deduction is considered to be a compensation for this non-deductibility.



Capital equipment and facilities for a new mine may be written off immediately against income from the mine. The assets eligible for this accelerated depreciation include buildings, mining machinery, processing facilities and "social capital" such as access roads, sewage plants, housing schools, airports and docks. The accelerated write-off provision for new mines will also apply in the case of a major expansion of an existing mine where there has been at least a 25% increase in milling capacity. The list of eligible assets is the same as for new mines except that "social capital" does not qualify. Taxpayers operating timber limits receive an annual cost allowance with respect to the cost of the limit. The rate of the allowance is based on the amount of timber cut in the year.

In computing taxable income, corporations, with certain exceptions, may deduct dividends received from other Canadian taxable corporations and also from certain non-resident affiliates. Business losses may be carried back one year or forward five years and deducted in computing taxable income. Corporations may also deduct charitable donations up to a maximum of 20% of their income.

Generally speaking, depreciation relating to rental properties cannot be deducted against other sources of income. However an exception is provided for certain

multiple unit residential buildings purchased on, or between November 18, 1974 and December 31, 1978.

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.

### (c) Reductions and Credits

A corporation may reduce its tax otherwise payable by a credit for taxes paid to foreign governments on foreign source income. This credit may not exceed the Canadian tax related to such income. A corporation may also deduct from its tax an amount equal to the lesser of two thirds of provincial logging tax paid to a province or 6 2/3% of its income from logging operations in the province. At present, only Quebec and British Columbia impose logging taxes.

The federal government introduced a 5% investment tax credit applicable to new buildings, machinery and equipment acquired between June 24, 1975 and July 1, 1977. The credit was later extended to July 1, 1980. Current and capital expenditures on scientific research and development have been added to the list of eligible expenditures. The tax credit is higher for slower growth regions as designated by the Department of Regional Economic Expansion.

## 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 **Excise Act**, the **Customs Tariff** and the **Petroleum Administration Act**. The main taxes levied under each of these Acts are briefly described below.

### The Excise Tax Act

Taxes levied under the **Excise Tax Act** are examples of indirect taxation. The importer, manufacturer or dealer in goods pays the tax and not the ultimate purchaser or consumer of the goods involved.

#### (a) Consumption or Sales Taxes

The main component of the excise tax structure is the general manufacturers sales tax. Under Part V of the **Excise Tax Act**, the federal government levies a 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 speci-

fied in Schedule V of the Act. A list of either fully or partially exempt goods is given in Table 2.

#### (b) Excise Taxes

In addition to the sales tax, the **Excise Tax Act** also imposes a number of special excise taxes. These consist of *ad valorem* taxes levied on the same price or duty-paid values as the general sales tax and of specific taxes on certain products.

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 sales tax described above are also subject to the excise tax. These commodities or articles are specified in Part 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. These duties are not levied on imports, but the customs tariff applies special duties to these products equivalent to the excise duties levied on the products manufactured in Canada.

### The Customs Tariff

Customs duties are imposed on most imported commodities under the authority of the **Customs Tariff**. Customs duties were once the chief source of revenue for the country. However, they have declined in importance as a source of revenue to the point where they now provide about 5% of the total. Quite apart from its revenue aspects, however, the tariff still occupies an important place as an instrument of commercial policy.

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. Both rates vary according to four schedules which refer to the country of origin of the imported goods. The four levels of rates are the General Preferential, British Preferential, Most-Favoured-Nation and General. The General Preferential rates apply to goods imported from designated developing countries. The British Preferential rates are applied to imported commodities shipped directly to Canada

from countries within the British Commonwealth. Rates lower than the British Preferential are applied on certain goods imported from designated Commonwealth countries. The Most-Favoured-Nation rates apply to those countries with which Canada has trade agreements (including all of the countries participating in General Agreement on Tariffs and Trade) but which are not entitled to the British Preferential or General Preferential rates. The General rate is of little importance since it applies only to a few countries with which Canada has very little trade.

In all cases where the tariff applies, there are provisions for drawbacks of duty on imports of materials used in the manufacture of products later exported. These drawbacks are designed to help Canadian manufacturers to compete with foreign manufacturers of similar goods. There is a second class of drawbacks known as "home consumption" drawbacks. These apply to imported articles used in the production of specified classes of goods for home consumption.

The tariff schedules are too lengthy and complex to be reproduced in this publication. Rates pertaining to particular goods and countries of origin may be obtained from Revenue Canada, Customs and Excise.

### 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 the equivalent of barrels. The rates are generally equal to or the equivalent of the difference between the average well-head price of oil as fixed for Canadian consumption and its international price.

Table 2 sets out the rates of taxes levied under the above-described Acts on various goods and activities, exclusive however of customs duties.

## 1978 Changes in Federal Taxes

The following list includes only basic modifications. Technical changes to the laws pursuant to which taxes are levied are omitted.

### 1. Personal Income Tax

- (a) The minimum amount of the 9% tax credit is increased to \$300 from \$200 for 1978 only. This \$100 reduction will be concentrated as much as possible through January and February.
- (b) For 1977 and subsequent years, grants provided under the home insulation program are to be included in the recipient's income, or in the case of a married couple, in the income of the spouse with the higher income.

- (c) The tax exemption granted to married employees on the value of free board and lodging at logging camps and remote work sites will be extended to single employees (effective April 10, 1978).
- (d) Federal income tax on residents of Northwest Territories is reduced in order to make room for the new territorial income tax (effective January 1, 1978).

### 2. Corporation Income Tax

- (a) The two-year fast write-off for anti-pollution equipment is extended to such property acquired before 1980.

- (b) The special provision permitting taxpayers to offset against other income their losses on rental housing generated by capital cost allowances on multiple unit residential housing will be extended until the end of 1978.
- (c) Effective January 1, 1978, the capital cost allowance on wood-framed buildings will be reduced from 10% to 5%, bringing it into line with other kinds of buildings.
- (d) Beginning in 1978 and continuing until 1988 inclusive, corporations may deduct a further 50 per cent of additional research and development expenditures to the extent that those expenditures exceed the average amount over the three preceding years. This deduction is over and above the existing 100 per cent writeoff of capital and operating expenditures for research and development in the same year they are made.
- (e) An additional depreciation allowance of 6% per year for five years is granted to most capital expenditures on railways, as of April 10, 1978.
- (f) Up-grading plants which process heavy oil produced from wells into conventional type crude oil will be treated as a manufacturing facility. In such a way they become eligible for accelerated (50%) depreciation and a 40% tax rate (effective April 10, 1978).

Costs of machinery, equipment and other facilities for enhanced oil recovery systems become eligible to earn depletion allowances of \$1 for each \$2, as opposed to the normal rate of \$1 for \$3, as of April 10, 1978. At the same date the amount of the depletion allowance that may be claimed each year in respect of depletion earned on certain investments in non-conventional oil projects is raised from 25% to 50% of both resource profits and other profits of the corporation.

### 3. Customs Tariff

- (a) Temporary tariff reductions on a wide range of goods, initially introduced in 1973 and scheduled to expire on June 30, 1978, are extended to June 30, 1979 with the exception of certain products, mainly frozen food products.
- (b) British Preferential tariff on some goods imported from the United Kingdom and Ireland is being withdrawn.
- (c) Non-agricultural tractors are excluded from duty-free entry, as well as chemicals used in the manufacture of pesticides.

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



TABLE 1. Income Taxes Levied by the Federal Government

<b>Personal income tax</b>																									
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 \$761 of taxable income</p> <table> <tr> <td>\$ 46 on \$ 761</td><td>plus 16% on next \$ 760</td></tr> <tr> <td>167 " 1,521</td><td>" 17% " " 1,521</td></tr> <tr> <td>426 " 3,042</td><td>" 18% " " 1,521</td></tr> <tr> <td>700 " 4,563</td><td>" 19% " " 3,042</td></tr> <tr> <td>1,278 " 7,605</td><td>" 21% " " 3,042</td></tr> <tr> <td>1,916 " 10,647</td><td>" 23% " " 3,042</td></tr> <tr> <td>2,616 " 13,689</td><td>" 25% " " 3,042</td></tr> <tr> <td>3,377 " 16,731</td><td>" 28% " " 4,563</td></tr> <tr> <td>4,654 " 21,294</td><td>" 32% " " 15,210</td></tr> <tr> <td>9,521 " 36,504</td><td>" 36% " " 22,815</td></tr> <tr> <td>17,735 " 59,319</td><td>" 39% " " 31,941</td></tr> <tr> <td>30,192 " 91,260</td><td>" 43% on remainder</td></tr> </table>	\$ 46 on \$ 761	plus 16% on next \$ 760	167 " 1,521	" 17% " " 1,521	426 " 3,042	" 18% " " 1,521	700 " 4,563	" 19% " " 3,042	1,278 " 7,605	" 21% " " 3,042	1,916 " 10,647	" 23% " " 3,042	2,616 " 13,689	" 25% " " 3,042	3,377 " 16,731	" 28% " " 4,563	4,654 " 21,294	" 32% " " 15,210	9,521 " 36,504	" 36% " " 22,815	17,735 " 59,319	" 39% " " 31,941	30,192 " 91,260	" 43% on remainder
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4. Personal exemptions . . . . .	<p>Individuals taxed as married . . . . . \$4,560</p> <p>Individuals taxed as single . . . . . 2,430</p> <p>Dependant child under 16 years of age . . . . . 460</p> <p>Other dependants (as defined by law) . . . . . 840</p> <p>Taxpayer aged 65 years or over (transferable to spouse) . . . . . 1,520</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>\$1,520 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 of income 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 \$300 and a maximum of \$500.</p> <p>25% of the taxable amount (actual amount "grossed up" by one-half 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 in another country.																								
<b>Corporation income tax</b>																									
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. Rates:																									
(a) Standard rate . . . . .	46%																								
(b) Special rates . . . . .	<p>40% on manufacturing and processing profits.</p> <p>25% on Canadian-controlled private corporations (small business deduction) on first \$150,000 of active business income to an overall limit of \$750,000. This rate is reduced to 20% for manufacturing and processing profits.</p>																								



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

Corporation income tax - Concluded	
11. Deductions . . . . .	Charitable donations up to 20% of net income. Gifts to the federal or 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.)
12. Tax reductions and credits . . . . .	10% abatement of taxable income earned in a province. Foreign tax credit for taxes paid to another country on non-business income earned in Canada as defined in Section 126 of the Act. 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.
Tax on taxable dividends received by private corporations	
13. Statutory authority . . . . .	Income Tax Act; Part IV.
14. Basis . . . . .	Private corporations' taxable dividends.
15. Rate . . . . .	33 1/3% (refundable when taxable dividends are paid).
Tax on 1971 undistributed income on hand	
16. Statutory authority . . . . .	Income Tax Act; Part IX.
17. Basis . . . . .	Election to prepay special tax on 1971 undistributed income on hand.
18. Rate . . . . .	15%
Tax on investment income of life insurers	
19. Statutory authority . . . . .	Income Tax Act; Part XII.
20. Basis . . . . .	Investment income of life insurers.
21. Rate . . . . .	15%
Tax on income from Canada of non-resident persons	
22. Statutory authority . . . . .	Income Tax Act; Part XIII.
23. 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).
24. Rates . . . . .	(a) 25% } except where limited by treaty. (b) 20% }
25. 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	
26. Statutory authority . . . . .	Income Tax Act; Part XIV.
27. Basis . . . . .	Taxable income earned in Canada reduced by taxes already paid and by an allowance for increases in capital investment in Canada.
28. Rate . . . . .	25% (except where limited by treaty).

TABLE 2. Other Important Federal Taxes

<b>Consumption or sales tax</b>	
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.
<b>Insurance premiums other than marine</b>	
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 life, personal accident, sickness, marine risk or nuclear risk.
<b>Air transportation tax</b>	
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
<b>Excise tax</b>	
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.) . . . . . 5% 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) (applied to imports shipped directly from Commonwealth countries).</p> <p>(b) General preferential (applied to goods imported from designated developing countries).</p> <p>(c) Most favored nation (under special agreement with various countries. Includes all GATT signatories).</p> <p>(d) General (applicable to countries not included in (a), (b) and (c)).</p>
18. Comments	The rates applicable to a particular item may be obtained from Revenue Canada, Customs and Excise.
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 1978:</p> <p>Lloyminster type crude . . . . . \$3.55 per barrel</p> <p>Selected crude less than 25° A.P.I. . . . . 4.00 " "</p> <p>Condensate . . . . . 5.10 " "</p> <p>All other crude . . . . . 5.10 " "</p> <p>Motor gasoline . . . . . 3.85 " "</p> <p>Middle distillate . . . . . 3.10 " "</p> <p>Heavy fuel oil . . . . . 4.25 " "</p> <p>Partially processed oil . . . . . 5.60 " "</p>



## PART II

TAXES LEVIED BY PROVINCIAL GOVERNMENTS



## 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. Although the latter are generally considered as taxes on wealth, they are dealt with under the general heading of income taxes.

#### Personal Income Tax

All provincial governments and, as of January 1, 1978, the Northwest Territories levy a tax on the income of individuals who reside within provincial and territorial boundaries and on the income earned by non-residents from sources within such 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. Residents of a particular province, who have business income allocable to at least one permanent establishment outside that province, are taxed on their total income minus the business income allocable to such establishments situated outside their province of residence.

The rates applicable in each province (as set out in Table 3) are expressed as percentages of "basic federal tax",<sup>1</sup> 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 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. However, the latter has been fully recovered from the Quebec government through payments made by the federal government under various federal-provincial agreements since the introduction of federal youth allowances in 1973.

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 set down in Table 3.

#### Corporation Income Tax

All provinces, as well as the Northwest Territories, 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.

British Columbia, Manitoba, New Brunswick, Newfoundland, Ontario and Saskatchewan levy dual rates; a preferential lower rate for small business corporations which qualify for the federal small business deduction and a higher rate for other corporations.

#### 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

<sup>1</sup> The basic federal tax is the amount computed according to the graduated rate schedule appearing on page xx.



provinces, there are special provisions and rates for specified companies, such as telecommunications companies, banks and other financial establishments. In addition to a capital tax, Quebec levies a tax on places of business.

### Gift Taxes and Succession Duties

As of January 1978, only two provinces are still levying and collecting gift taxes and succession duties: Quebec and Ontario. 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 for both Quebec and Ontario.

For further details on capital and gift taxes and succession duties, including prevailing rates, see 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 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. In such a way, provincial consumption taxes fall under the category of a direct tax. 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 material 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 provincial governments and territorial administrations impose a tax on fuels purchased within the territory under their jurisdiction. For purposes of taxation, fuels generally include motive fuels, heating fuels 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. In all provinces, the motive fuel tax is expressed in terms of a specific rate per gallon which varies in accordance with the kind of products.

### 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 transient accommodations and prepared meals priced over a fixed amount. The exemptions are Alberta in both cases and Saskatchewan and British Columbia in the case of meals. 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**.

However, Quebec has abolished its tax on transient accommodations as of April 12, 1978 and Ontario has suspended it for the period March 8, 1978 to December 31, 1979.

### 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 Act. 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 and vary with types of products. They are not publicized and thus are not reported in this publication.<sup>2</sup> 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 race track 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. However, as of January 1, 1978, Quebec has incorporated its flat rate personal income tax into its personal income tax graduated scale rates.

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 contained in Table 6.

## 1978 Changes in Provincial Taxes

The following list includes only basic modifications. Technical changes to the laws pursuant to which taxes are levied are omitted.

### 1. Personal Income Tax

(a) **New Brunswick** — The rate is reduced from 55.5% to 54% effective January 1, 1978 with a further decrease to 51.5% on January 1, 1979.

(b) **Quebec** — Effective January 1, 1978, the basic exemption is raised from \$1,600 to \$3,600. The additional exemption for persons taxed as married is raised from \$1,900 to \$2,700 and the net earnings permissible for a dependant spouse is raised from \$500 to \$1,000. Consequently, the total exemption for a married taxpayer, whose spouse's income does not exceed \$1,000, increases from \$3,500 to \$6,300. The exemption for a child or other dependants aged 18 and over is increased from \$550 to \$900 and for persons aged 65 and over, from \$1,000 to \$1,500 as is the exemption for the handicapped or taxpayer supporting a handicapped person. As of July 1, 1978, the flat rate personal income tax related to

<sup>2</sup> For information on the sale of alcoholic beverages, refer to *The Control and Sale of Alcoholic Beverages in Canada*, Catalogue 63-202.

employees' contributions to hospitalization is abolished as such and incorporated into the income tax graduated scale depicted in Table 3. New expenses have been added to the list of exemptions while some existing ones have been either wholly or partially withdrawn. In the first instance, legal expenses incurred for the purpose of obtaining an alimony or for having it reviewed become deductible from income. Changes regarding ownership and usage of an automobile, when an individual uses the same car for both business and personal reasons fall into the latter category. Some measures affecting personal income tax will come into effect in 1979, for example, the indexation of taxable income which for 1979, is fixed at 6% and the introduction of a property tax credit. This tax credit will be equal to 40% of the property tax to a maximum tax of \$1,000, less 2% of the household's taxable income, and will not exceed \$400.

(c) **Ontario** - As of 1978, the basic property tax credit to pensioners has been increased from \$290 to \$510. Further, taxpayers with taxable incomes of \$2,310 or less are exempt from provincial tax. Formerly the threshold was \$1,680.

(d) **Manitoba** - The personal income tax rate is reduced from 56% to 54%. The personal income tax surcharge of 20% of provincial income tax exceeding \$2,318 is to be removed, effective December 31, 1978.

(e) **Saskatchewan** - Personal income tax is reduced from 58.5% to 53% of basic federal tax as of January 1, 1978. General tax cut is increased from \$120 to \$160 for 1978. The 10% surtax is reduced by applying to provincial tax payable in excess of \$4,000 instead of the former \$2,000. New deduction of \$30 for dependant child to a maximum of \$180 becomes effective in 1978. The \$160 tax cut and the deduction for dependant children will decrease as income tax rises. The decrease is equal to 15% of the amount by which the provincial tax exceeds the taxpayer's maximum tax reduction.

(f) **Northwest Territories** - Effective January 1, 1978, the territorial government will, for the first time, levy a personal income tax. The rate in effect for 1978 is 43%.

## 2. Corporate Income Tax

(a) **Newfoundland** - Corporate income tax is lowered to 12% from 14%, as of January 1, 1978 (for small business).

(b) **Ontario** - Corporation tax is raised from 9% (small business) and 10% to 10% and 13% respectively. The tax treatment of insurance companies is brought into line with federal legislation. The provision which renders claimable against any source of income capital cost allowance on new, multiple-unit residential rental buildings will be extended for one year to include construction commenced prior to 1979. Accelerated depreciation for pollution-control equipment is extended to cover equipment acquired before 1980. Corporations will now be required to pay taxes in 12 monthly installments at month end as opposed to the former system of six bi-monthly payments. This last measure parallels federal policy and will be effective for corporations with fiscal years commencing on or after July 1, 1978.

(c) **Manitoba** - The small business rate is lowered from 13% to 11% for 1978. The 15% rate for large corporations, which includes a 2% surcharge due to expire on January 1, 1979, will be extended beyond the expiry date.

(d) **Saskatchewan** - The small business rate is lowered from 12% to 11% as of January 1, 1978.

(e) **Northwest Territories** - Effective January 1, 1978, the territorial government (as is the case with personal income tax) introduced its own corporate income tax. For 1978, the rate is 10%.

## 3. Capital Tax

(a) **Ontario** - The capital tax for loan and trust companies will be calculated in the same manner as it is for banks. The paid-up capital rate is increased from 3/10 of 1% to 3/5 of 1%. These changes apply to the fiscal years of corporations ending after March 7, 1978.

(b) **Manitoba** - Effective April 1, 1978, the minimum exemption from corporation capital tax is raised from \$100,000 of taxable capital to \$500,000.

(c) **British Columbia** - Effective April 1, 1978, the exemption limit under the corporation capital tax is increased from \$100,000 to \$500,000. As well, provision is made for a graduated tax rate for companies with capital between \$500,000 and \$600,000.

## 4. Gift Tax

(a) **Manitoba** - The gift tax is repealed, effective after October 10, 1977.



- (b) **Quebec** — As of April 19, 1978, the graduated rate scale is replaced by a single rate of 20%, with an exemption for gifts between spouses.

## 5. Succession Duties

- (a) **Quebec** — Effective for estates opened after April 28, 1978, a new single tax table with rates ranging from 20% to 35% will apply, replacing the former three table system. Each heir is to be taxed according to his own inheritance, regardless of the total amount of the succession. Further, the basic exemptions will apply only to the persons who inherit and not to the succession as a whole. The new system of exemptions is depicted in Table 4.
- (b) **Manitoba** — The Succession Duty Act is repealed, effective October 11, 1977.

## 6. General Retail Sales Tax

- (a) **Newfoundland** — The sales tax rate is raised to 11% from 10% effective March 18, 1978; however the rate is reduced to 8% for six months beginning April 10, 1978. Effective March 18, 1978, domestic consumption of electricity and wood-burning stoves and furnaces are exempt.
- (b) **Prince Edward Island** — The sales tax rate is lowered from 8% to 5% for six months effective April 10, 1978. As of April 1, 1978, the exemption threshold prepared meals has been raised from \$2.00 to \$5.00. Further, status Indians are no longer required to pay sales tax on goods purchased for consumption on the reserve, excepting prepared meals and alcoholic beverages.
- (c) **Nova Scotia** — Solar heating equipment and windmills are now exempt. Effective April 10, 1978, the sales tax is reduced from 8% to 5% for a period of six months.
- (d) **New Brunswick** — Effective April 4, 1978, the 8% sales tax on all building materials except insulation is re-introduced. The sales tax rate is reduced from 8% to 5% for a period of six months, beginning April 10, 1978.
- (e) **Quebec** — Effective midnight April 12, 1978, until March 31, 1979, the sales tax on clothing, textiles, shoes and furniture, excluding appliances, is abolished. The sales tax on films, magnetic tape, video tape, records and goods of a similar nature is also abolished in the case of purchases of these goods for the purpose of public broadcasting. Exemption is also granted to sales to the handicapped of any apparatus designed to compensate for a physical handicap and the tax paid on a vehicle which is later on adapted to the transportation of the handicapped is subject to reimbursement.
- (f) **Ontario** — As of March 8, 1978, the 7% tax on accommodation and American plan purchases will be withdrawn for the period ending December 31, 1979. The exemption for energy conservation mater-

ials is extended to storm and double-glazed doors and windows. The exemption for railway rolling stock and parts is withdrawn and a 7% tax will be applied on the basis of miles travelled in Ontario. Finally, as of April 10, 1978 the sales tax is lowered from 7% to 4% for a period of six months and the 10% tax on meals over \$6.00 and on alcoholic beverages is reduced to 7% for the same period.

- (g) **Manitoba** — Effective April 10, 1978, the sales tax is reduced from 5% to 2% for a six-month period. The sales tax is to apply to 50% of the selling price of mobile homes, excluding furnishings, and 55% of the price of modular homes. The partial sales tax exemption on insulation materials will be broadened to cover commercial purchases. Triple-glazed doors and windows will be included under the exemption. Effective April 1, 1978, the sales tax on steam heat is eliminated.

- (h) **Saskatchewan** — Sales of under \$0.26 are now exempt. (Formerly, the ceiling was \$0.15.) As of April 10, 1978, the sales tax rate is reduced from 5% to 3% for a six-month period. Provision now exists for a refund of tax paid on purchases of mobile homes.

- (i) **British Columbia** — Effective midnight, April 10, the sales tax is reduced from 7% to 5% on all taxable purchases except alcoholic beverages. Exemption is granted for one year on new or repaired machinery having a minimum unit value of \$100 when purchased by a small business. Certain farm equipment and survival suits purchased by fishermen are similarly exempt for one year. Finally, the sales tax is now imposed on promotional materials circulated for business purposes.

## 7. Motive and Other Fuel Taxes

- (a) **Quebec** — For vehicles used in off-highway mining, forest and farm operations, the existing tax of \$0.25 on diesel fuel and \$0.19 on gasoline is reduced to \$0.03, as of April 19, 1978.
- (b) **Manitoba** — Effective April 11, 1978, all farm trucks will be eligible to tax-free motive fuel. Presently, only farm trucks using gasoline or diesel fuel and which have no more than two axles are permitted this exemption. Municipalities will be allowed to use tax-exempt marked diesel fuel in off-highway equipment, replacing the partial refund which they are presently allowed. Tax exempt purple fuel may now be used in chain saws and "tree farmers". Previously, provision existed only for partial refunds in both cases. Interprovincial truck operators who purchase excess amounts of fuel in Manitoba now qualify for a refund, provided the tax is paid to another province.
- (c) **Alberta** — Effective midnight March 31, 1978, the fuel oil tax is eliminated on virtually all gasoline and diesel fuel purchased in Alberta. Locomotive and aviation fuel continues to be subject to a \$0.03 per gallon tax.

## 8. Tobacco Tax

- (a) **Newfoundland** — The tax on cigarettes is increased from \$0.012 to \$0.0135 per cigarette, on March 18, 1978.
- (b) **New Brunswick** — Effective April 4, 1978, the tax on cigarettes is increased from \$0.004 to \$0.007. The tax on cut tobacco is raised from \$0.04 to \$0.08 per ounce.
- (c) **Quebec** — The tax on cigarettes is raised from \$0.008 to \$0.0108. The rate of tax on cigars and pipe tobacco is raised from 25% to 30%. The tax on cigars, selling \$0.10 or less, is raised from \$0.01 to \$0.02. All these increases became effective April 19, 1978.
- (d) **Ontario** — As of March 8, 1978, the tax on cigarettes is increased from \$0.0096 per cigarette to \$0.011 and the tax on cigars, as follows:

Retail price	Increases
\$0.01 to \$0.07 . . . . .	\$0.02 each (no change)
\$0.08 to \$0.10 . . . . .	from \$0.04 to \$0.05 each
\$0.11 to \$0.15 . . . . .	new rate of \$0.07 each
More than \$0.15 . . . . .	\$0.07 plus an additional \$0.02 for every \$0.05 or part thereof of retail price with a maximum of \$0.39.

The tax rate on cut tobacco is increased from 35/100 of \$0.01 to 4/10 of \$0.01 per gram of tobacco.

- (e) **Manitoba** — The tax on cigarettes is raised from \$0.008 to \$0.01 per cigarette, effective May 1, 1978. The tax on other tobacco products is raised from \$0.04 to \$0.05 for every half-ounce or part of one half-ounce, or from \$0.07 to \$0.09 for every 25 grams or part of 25 grams.

The tax on cigars is increased as follows.

Retail price	New tax rate
\$0.04 or less . . . . .	from \$0.015 to \$0.02
0.05 to \$0.06 . . . . .	" 0.02 to 0.025
0.07 to 0.09 . . . . .	" 0.03 to 0.04
0.10 to 0.12 . . . . .	" 0.04 to 0.05
0.13 to 0.15 . . . . .	" 0.05 to 0.06
0.16 to 0.18 . . . . .	" 0.06 to 0.08
0.19 to 0.21 . . . . .	" 0.07 to 0.09
0.22 to 0.24 . . . . .	" 0.08 to 0.10
0.25 to 0.30 . . . . .	" 0.10 to 0.13
0.31 to 0.39 . . . . .	" 0.13 to 0.16
0.40 to 0.48 . . . . .	" 0.16 to 0.20
0.49 or more . . . . .	" 0.20 to 0.25

- (f) **Saskatchewan** — The tax on cigarettes is raised from \$0.008 to \$0.0096 each; the tax rate for other tobacco, from \$0.04 to \$0.05 per half-ounce. The tax on cigars is increased as follows:

Cigar value	Tax increases
\$0.10 or less . . . . .	from \$0.02 to \$0.03 each
0.11 to \$0.20 . . . . .	" 0.04 to 0.05 "
Over \$0.20 . . . . .	" 0.08 to 0.10 "

All the new rates become effective March 8, 1978.

- (g) **British Columbia** The tax on cigarettes is increased from \$0.0048 to \$0.0096 each on April 11, 1978. The tax on cigars is increased as follows:

Retail price	New tax rates
\$0.05 or less . . . . .	from \$0.01 to \$0.02
0.06 to \$0.09 . . . . .	" 0.02 to 0.03
0.10 to 0.13 . . . . .	" 0.03 to 0.05
0.14 to 0.17 . . . . .	" 0.04 to 0.07
0.18 to 0.25 . . . . .	" 0.06 to 0.10
0.26 to 0.33 . . . . .	" 0.08 to 0.16
0.34 to 0.41 . . . . .	" 0.10 to 0.20
0.42 to 0.49 . . . . .	" 0.12 to 0.24
Over \$0.49 . . . . .	" 0.15 to 0.30

The tax on other tobacco products is increased from \$0.03 to \$0.055 per half-ounce.

## 9. Meal and Lodging Tax

**Quebec** — Effective midnight, April 12, 1978, the 8% tax is abolished on all hotel rooms as well as on meals that are included in the room price. The tax on service charges included in the price of meals is also abolished.

## 10. Amusement Tax

**Prince Edward Island** — Effective June 9, 1977, the admission price exemption has been raised to \$1.00 from \$0.80.

## 11. Insurance Premium Tax

- (a) **Newfoundland** — The premium tax is raised from 10% to 11% effective March 18, 1978.
- (b) **Ontario** — The rate is reduced from 3% to 2% on accident, sickness and all life insurance premiums, effective March 8, 1978. The current 3% rate will continue to apply to all other forms of insurance.

## 12. Mining and Mineral Taxes

- (a) **Ontario** — Qualifying assets related to a new mine or to a major expansion of an existing mine may be written off at a 100% rate against profits derived from mining operations. The unused balance of the processing allowance can be carried forward for the three years immediately preceding a given taxation year, provided that the current processing allowance is first deducted. Total allowance claimed in a given year cannot exceed 65% of combined mining and processing profits. The costs of processing Ontario ore incurred outside Canada will be allowed as a

deductible expense. The measures outlined above came into effect March 7, 1978.

- (b) **Manitoba** — Amendments to the Mineral Acreage Tax Act received Royal assent on December 15, 1977. Among other things, these amendments limit the application of the \$0.10 per acre tax to the years 1973 to 1976.
- (c) **Alberta** — Effective January 25, 1978, production from exploratory crude oil wells commenced before April 1, 1981, will be exempt from the payment of royalties for the first 60 months of operation. Production from exploratory natural gas wells will be exempt for the initial 12 months.

### 13. Hospitalization and Medical Care Premiums

- (a) **Ontario** — As of May 1, 1978 monthly premiums are increased from \$16 to \$19 for single persons and from \$22 to \$38 for families. Complete and partial payments of the premiums by the province are also modified. Maximum taxable income for which complete payments apply is increased from \$1,534 to \$2,500 for single persons and from \$2,000 to \$3,000 for families. Further, the taxable income for which the province is paying 50% of the premium is increased from \$1,534 - \$2,000 to \$2,500 - \$3,000 for single persons and from \$2,000 - \$3,000 to \$4,000 - \$4,500 for families. Finally, families with taxable income ranging between \$3,000 and \$4,000

will pay only 25% of the premium and those with income between \$4,500 and \$5,000 will pay 75% of the premium.

- (b) **Alberta** — As of July 1, 1978, health care insurance premiums will go up by 8.5%. Rate changes are as follows:

	Former	New
Single .....	\$ 84.60	\$ 91.80
Family .....	169.20	183.60

Single persons with taxable income below \$2,000 and families with taxable income below \$3,000 will have no premium to pay. Previously, individuals and families had to have no taxable income in order to qualify. Further, taxable income eligible to a partial subsidy as well as the amount of the subsidy go up as follows: for individuals, the taxable income is increased from \$1 - \$500 to \$2,000 - \$3,000 and the subsidy, from \$43.20 to \$46.80; and for families, the taxable income goes from \$1 - \$1,000 to \$3,000 - \$4,000 and the subsidy, from \$86.40 to \$93.60.

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 of this publication.



TABLE 3. Income Taxes Levied by Provincial Governments

No.	Category	Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
<b>Personal income tax</b>						
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%	50%	52.5%	54%	13% on the first \$577 of taxable income \$ 75.01 on \$ 577 plus 14% on the next \$ 667 168.39 " 1,244 " 15% " " " 771 284.04 " 2,015 " 16% " " " 891 426.60 " 2,906 " 17% " " " 1,030 601.70 " 3,936 " 18% " " " 1,191 816.08 " 5,127 " 19% " " " 1,377 1,077.71 " 6,504 " 20% " " " 1,591 1,395.91 " 8,095 " 21% " " " 1,840 1,782.31 " 9,935 " 22% " " " 2,126 2,250.03 " 12,061 " 23% " " " 2,458 2,815.37 " 14,519 " 24% " " " 2,841 3,497.21 " 17,360 " 25% " " " 3,284 4,318.21 " 20,644 " 26% " " " 3,797 5,305.43 " 24,441 " 27% " " " 4,388 6,490.19 " 28,829 " 28% " " " 5,073 7,910.63 " 33,902 " 29% " " " 5,864 9,611.19 " 39,766 " 30% " " " 6,778 11,644.59 " 46,544 " 31% " " " 7,836 14,073.75 " 54,380 " 32% " " " 9,034 16,100.63 " 60,714 " 33% on the remainder
4	Comments. . . . .	-	-	-	-	Personal exemptions: Individuals taxed as married . . . . . \$ 6,300 Individuals taxed as single . . . . . 3,600 Dependant child non-eligible for family allowances 900 Members of religious order. . . . . 1,900 Individuals aged 65 years or over . . . . . 1,500
<b>Corporation income tax</b>						
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%/12%	10%	12%	12%/9%	12%
8	Comments. . . . .	The lower rate is applicable to small businesses.	-	-	The lower rate is applicable to small businesses.	-



TABLE 3. Income Taxes Levied by Provincial Governments

Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Northwest Territories	No.
The Income Tax Act; R.S.O. 1970, c. 117 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.	Income Tax Ordinance S.N.W.T. 1977 (3d) c. 1.	1
Basic federal tax.	Basic federal tax.	Basic federal tax.	Basic federal tax.	Basic federal tax.	Basic federal tax.	2
44%	54%	53%	38.5%	46%	43%	3
A tax credit which is the aggregate of: (a) Property tax credit (lessing of \$400 or occupancy cost, plus 10% of occupancy cost). (b) Sales tax credit (1% of personal exemptions). (c) Pensioner tax credit (\$110 for each person age 65 or over). Less 2% of taxable income. (Maximum credit of \$750.) Taxpayers with taxable incomes of \$2,310 or less are exempt from provincial tax.	Surtax of 20% on provincial income tax exceeding \$2,318. A property tax credit which is the lesser of: (a) \$375 less 1% of taxable income (minimum \$225). (b) Total property taxes or 20% of total rental payments. A cost of living tax credit which is: 3% of personal exemptions less 1% of taxable income. Taxfilers who pay no federal tax are exempt.	Surtax of 10% on provincial income tax in excess of \$4,000. A tax reduction which is the lesser of the tax payable or \$160. \$30 reduction for each dependant under 18 years of age up to a maximum of \$180.	A renter credit which is: (a) \$90 plus 2% of total rent payments less 1/2 of 1% of taxable income. (b) 20% of rent paid less 1/2 of 1% of taxable income, when the total rent is less than \$500. The minimum credit is the lesser of \$50 or 20% of total rent paid. A reduction of \$231 minus Alberta basic tax plus the lesser of \$300 or \$50 per dependant child under 18. Taxfilers who pay no federal tax are exempt.	A renter credit of \$100 minus 1% of taxable income, for individuals with gross income under \$15,000. Maximum credit 10% of annual rent. Minimum credit \$80 for senior citizens. Taxpayers with taxable incomes of \$1,715 or less are exempt from provincial tax.	—	4
The Corporation 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.	Income Tax Ordinance S.N.W.T. 1977 (3d) c. 1.	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.	Taxable income earned in the province.	6
10%/10%	15%/11%	14%/11%	11%	15%/12%	10%	7
The lower rate is applicable to small businesses.	The lower rate is applicable to small businesses.	The lower rate is applicable to small businesses. 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.	The lower rate is applicable to small businesses. 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.	—	8

TABLE 4. Capital and Gift Taxes and Succession Duties

No.	Category	New-found-land	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
	<b>Capital tax</b>					
1	Statutory authority . . . . .	-	-	-	-	The Taxation Act; S.Q. 1972, c. 23 and amendments.
2	Basis . . . . .	-	-	-	-	(a) Paid-up capital of corporations. (b) Places of business in province. (c) Inoperative corporations.
3	Rates. . . . .	-	-	-	-	(a) 1/5 of 1%. (b) \$50 (\$25 when paid-up capital is less than \$25,000). (c) \$20.
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 or 1% is levied on telephone and oil refining corporations paid-up capital.
	<b>Gift tax</b>					
5	Statutory authority . . . . .	-	-	-	-	The Taxation Act; S.Q. 1972, c. 23 and amendments.
6	Basis . . . . .	-	-	-	-	Aggregate taxable value of gifts made in the year.
7	Rates. . . . .	-	-	-	-	20%
8	Exemptions . . . . .	-	-	-	-	Gifts between spouses.
9	Comments. . . . .	-	-	-	-	-
	<b>Succession duties</b>					
10	Statutory authority . . . . .	-	-	-	-	The Succession Duties act; R.S.Q. 1964, c. 70 and amendments.
11	Basis . . . . .	-	-	-	-	Inheritance received by each heir.
12	Rates. . . . .	-	-	-	-	20% on the first \$100,000 \$ 20,000 on \$ 100,000 plus 23% on next \$ 100,000 43,000 " 200,000 " 26% " " 300,000 121,000 " 500,000 " 29% " " 500,000 266,000 " 1,000,000 " 32% " " 1,000,000 586,000 " 2,000,000 " 35% on remainder.
13	Exemptions . . . . .	-	-	-	-	Bequests between spouses. \$75,000 for each child and other dependant with the unused part of the exemption transferable to heirs who are descendants of the child or the spouse. Additional exemption of up to \$50,000 for each child and other dependant under the age of 26. \$50,000 for each child and other dependant who is mentally or physically handicapped. Administrative exemption of \$5,000 for each beneficiary (other than the ones mentioned above). Duties on farm property and shares of private corporations are reduced by half.
14	Comments. . . . .	-	-	-	-	

TABLE 4. Capital and Gift Taxes and Succession Duties

Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	No.
The Corporations Tax Act; S.O. 1972, s. 143 and amendments.	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.	-	-	Paid-up capital of corporations.	2
5/12 of 1%.	1/5 of 1%.	-	-	1/5 of 1%.	3
\$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, loan and trust companies.	Exemptions include: corporations with paid-up capital under \$500,000; cooperatives, credit unions, family farms and charitable corporations.	-	-	Exemptions include: corporations with paid-up capital under \$500,000; corporations exempt under the Income Tax Act (Canada); credit unions, cooperatives and family farms.	4
The Gift Tax Act; S.O. 1972, c. 12 and amendments.	-	-	-	-	5
Aggregate taxable value of gifts made in the year.	-	-	-	-	6
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.	-	-	-	-	7
Testamentary gifts and gifts taking effect on the death of the donor.	-	-	-	-	8
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
The Succession Duty Act; R.S.O. 1970, c. 449 and amendments.	-	-	-	-	10
(a) Aggregate value of succession.	-	-	-	-	11
(b) Share of each individual's inheritance.	-	-	-	-	12
(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.	-	-	-	-	
Estates valued at \$300,000 or less.	-	-	-	-	13
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.	-	-	-	-	
The total rate applied to the individual's share is the sum of (a) and (b).	-	-	-	-	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 <sup>1</sup> . . . . .	11% (temporary reduction to 8%).	8% (temporary reduction to 5%).	8% (temporary reduction to 5%).	8% (temporary reduction to 5%).	8%
4	Taxable services . . . . .	Accommodation; telephone; telecommunication; 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 (\$5 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.
6	Clothing. . . . .	Clothing and footwear.	Clothing including fabrics and accessories; footwear.	Clothing and footwear.	Clothing and footwear.	Clothing, textiles and footwear purchased between April 13, 1978 and March 31, 1979.
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; domestic consumption of 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.	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; wood-burning stoves and furnaces.	Sales under \$0.26; funeral caskets; ships' stores; tobacco; settlers' effects; pets; insulating materials; storm windows and doors; alternate energy sources; certain purchases made by Indians.	Sales under \$0.26 (other than cigarettes and cigars); funeral caskets; settlers' effects; Olympic coins; ships' stores; certain explosives; thermal insulation materials; solar heating equipment and windmills.	Sales under \$0.26; tobacco; funeral caskets; certain explosives; ships' stores; settlers' effects; laundry and dry-cleaning services; thermal insulation materials.	Sales under \$0.26; securities; money; tobacco; admissions; fares on transportation systems; certain Indians' purchases; furniture purchased on or between April 13, 1978 and March 31, 1979; films, magnetic tape and similar goods used in broadcasting.
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).	New mobile homes are taxed on 50% of the sale price and used units are exempt.	Mobile home furnished: 6%, unfurnished and modular home: 4%	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.

<sup>1</sup> For an account of the temporary reductions in provincial sales taxes, see page 25 of this publication.



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% (temporary reduction to 4%).	5% (temporary reduction to 2%).	5% (temporary reduction to 3%).	5%	3
Transient accommodation; telephone service including long distance, telegraph; natural and manufactured gas, fixtures rented separately from real property.	Accommodation; telephone (over \$0.45) and other telecommunications; repairing and cleaning; certain printing, photocopying and microfilming.	Lodging; telephone (over \$0.49) and other telecommunications; electricity; gas (used in internal combustion engine).	Telephone, electricity; natural or manufactured gas.	4
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; motor 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; street flushers, sweepers and firefighting 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; equipment and disposable items used in hotel guest rooms; storm doors and windows.	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 and commercial construction; triple-glazed windows and doors.	Sales under \$0.26; 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; insulation materials used in residential housing.	14
Special rate of 10% on liquor, beer, wine and meals over \$6. (temporary reduction to 7%). <sup>1</sup> New mobile homes are taxed on 50% of the sale price and used units are exempt.	Liquor subject to a special rate of 10%. Mobile homes are taxed on 50% of the selling price excluding furnishings and modular homes on 55% of the sale price.	One half of the tax paid on mobile homes is refunded.	Mobile homes are taxed on 50% of the purchase price and certain modular homes on 55% of the purchase price.	15

<sup>1</sup> For an account of the temporary reductions in provincial sales tax, see page 25 of this publication.



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 amendments.
2	Basis . . . . .	Per gallon.	Per gallon.	Per gallon.	Per gallon.	Per gallon.
3	Rate . . . . .	Gasoline and motive fuel - \$0.27 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 motorized equipment (other than trucks and automobiles) used for agricultural or logging purposes, in sawmills, in fish processing plants, in certain manufacturing plants, in vessels and boats used in trade, in electrical power generating plants, in household appliances, as household fuel, and for mineral exploration and pre-production development.  Exemptions for fuel oil used for domestic purposes or by vessels (except pleasure boats, tugs dredges and scows), manufacturing plants, commercial buildings, institutions, spraying roads when used by the Department of Highways.	Exemptions for aviation fuel, fuel used in off-shore fishing fleets, and marked gasoline.  Marked gasoline may be purchased by the federal government, farmers, commercial fishermen, and owners and operators of stationary engines or certain sport establishments.	Exemption for marked gasoline.  Marked gasoline may be used in vehicles of the federal, provincial and municipal governments and in vehicles designed for fire-fighting, road building or off-highway use. It may also be used in farm tractors other than trucks or road tractors.	Exemptions for fuel used for lighting or heating, in farming operations, in the cleaning of fabrics, in stationary engines, in the operation of motor boats and snowmobiles, in tractors other than truck tractors when such vehicles are not used on public highways or in the construction of roads and bridges. Exemption for fuel used by municipal governments.  Refund of tax to flying clubs; based on the number of gallons of aviation fuel consumed in student training programme multiplied by rate of \$0.03 per gallon.  A rebate equal to nine-tenths of the tax paid with respect to the gasoline and motive fuel consumed by commercial vehicles with a weight of not less than 10,000 pounds carrying lumber or coal when travelling on a private highway.	Exemption for petroleum, butane and liquified 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 machinery or fishing operations; bunker fuel, crude oil and coloured fuel oil used other than for an internal combustion engine.  Full tax refunds are allowed on gasoline used in the operation of farm tractors and fishing boats. Refunds of part of the tax are allowed on gasoline used in stationary engines, pumps to fight forest fires, and production machinery.  Vehicles used in off-highway mining, forest and farm operations are taxed \$0.03 per gallon for diesel fuel and gasoline.

TABLE 5 B. Other Consumption Taxes Levied by Provincial Governments

Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.
<p>The Gasoline Tax Act; S.O. 1973, c. 99.</p> <p>The Motor Vehicle Fuel Tax Act; R.S.O. 1970, c. 282 and amendments.</p>	<p>The Gasoline Tax Act; R.S.M. 1970, c. G-40 and amendments.</p> <p>The Motive Fuel Tax Act; R.S.M. 1970, c. M220 and amendments.</p>	<p>The Fuel Petroleum Products Act; R.S.S. 1965, c. 67 and amendments.</p>	<p>The Fuel Oil Tax Act; R.S.A. 1970, c. 153 and amendments.</p>	<p>Gasoline Tax Act; 1958, R.S.B.C. 1960, c. 163 and amendments.</p> <p>Motive Fuel Use Tax Act; R.S.B.C. 1960, c. 251 and amendments.</p> <p>Fuel Oil Tax Act; R.S.B.C. 1960, c. 158 and amendments.</p>	<p>Fuel Oil Tax Ordinance; O.Y.T. 1973, c. F-11 and amendments.</p>	<p>Petroleum Products Tax Ordinance; R.O.N.T. 1974, c. P-6.</p>	1
Per gallon.	Per gallon.	Per gallon.	Per gallon.	Per gallon.	Per gallon.	Per gallon.	2
<p>Gasoline - \$0.19</p> <p>Diesel fuel - 0.25</p> <p>Aviation fuel - 0.03</p>	<p>Gasoline - \$0.18</p> <p>Diesel fuel - 0.21</p> <p>Aviation fuel - 0.05</p> <p>Propane - 0.18</p> <p>Locomotive diesel fuel - 0.10</p>	<p>Gasoline - \$ 0.19</p> <p>Diesel fuel - 0.266</p> <p>Aviation fuel - 0.06</p> <p>Other fuels - 0.06</p>	<p>Aviation and locomotive fuel - \$0.03</p>	<p>Gasoline - \$0.17</p> <p>Diesel fuel - 0.19</p> <p>Aviation fuel - 0.05</p> <p>Coloured gasoline - 0.05</p> <p>Liquefied petroleum gas - 0.12</p> <p>Fuel oil - 0.005</p> <p>Propane - 0.005</p>	<p>Gasoline - \$0.14</p> <p>Diesel fuel - 0.16</p> <p>Aviation fuel - 0.02</p> <p>Fuel oil used for heating - 0.01</p>	<p>Gasoline - \$0.14</p> <p>Diesel fuel - 0.15</p> <p>Fuel oil - 0.03</p> <p>Aviation fuel - 0.025</p> <p>Propane and butane - 0.0225</p>	3
<p>Exemption for fuel used by foreign diplomats.</p> <p>Exemptions for farmers, commercial fishermen fuel used for heating and cooking, industrial commercial and institutional users, those engaged in road maintenance or construction.</p> <p>A tax relief of \$0.19 per gallon is allowed on gasoline used in off-highway vehicles other than "non-working" motor boats and snowmobiles. Gasoline used by "working" motor boats is eligible for the relief.</p> <p>A full refund of tax is provided on fuel used for industrial and commercial purposes, other than the operation of a motor vehicle on the highway or for pleasure or recreation.</p>	<p>Exemptions for coloured gasoline used in farm trucks, agricultural machinery, municipal firefighting equipment and in trapping, fishing and prospecting operations.</p> <p>Exemptions for diesel fuel used in farm trucks, agricultural machinery, municipal equipment used off-highway and municipal firefighting equipment, lighting plants, hospitals, fishing operations and for domestic purposes. Partial or full refund in other circumstances set out in the Act.</p>	<p>Exemptions for fuel used for cooking, lighting, heating and operating domestic appliances.</p> <p>Exemptions for coloured fuels used in farming operations and control chemicals.</p> <p>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.</p>		<p>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.</p> <p>Exemptions for coloured gasoline used in farm trucks and fishing vessels by bona fide farmers and commercial fishermen.</p> <p>Exemptions for Motive-fuel used by the federal government or a bona fide farmer for farming purposes.</p> <p>A refund of \$0.02 per gallon of diesel fuel used in private passenger-vehicle.</p> <p>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.</p> <p>Coloured gasoline is restricted to specific uses as determined by law.</p>	<p>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.</p>	<p>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.</p>	4

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

No.		Newfoundland	Prince Edward Island	Nova Scotia
	<b>Tobacco taxes</b>			
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 - \$0.0135 each.  Cigars from: \$0.07 or less - \$0.05 each \$0.08 to \$0.15 - \$0.06 each 0.16 " 0.25 - 0.11 " 0.26 " 0.35 - 0.16 " 0.36 " 0.45 - 0.21 " 0.46 up - 0.27 "  Other tobacco products \$0.06 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.
	<b>Alcoholic beverage tax</b>			
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 -- \$0.007 each.	Cigarettes -- \$0.0108 each.	Cigarettes -- \$0.011 each.	3
Cigars \$0.01 for each \$0.05 or part thereof. Other tobacco products -- \$0.08 per ounce or part thereof.	Cigars from: \$0.05 to \$0.10 -- \$0.02 each. 0.10 up -- 30%. Manufactured tobacco -- 30% of retail price.	Cigars from: \$0.01 to \$0.07 -- \$0.02 each 0.08 " 0.10 -- 0.05 " 0.11 " 0.15 -- 0.07 " More than \$0.15 -- \$0.07 plus \$0.02 for each \$0.05 or part thereof of retail price, with a maximum tax of \$0.39 per cigar.	
		Cut tobacco taxed at \$0.004 per gram.	
	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
	<b>Tobacco taxes</b>			
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 . . . . .	Cigarettes - \$0.01 each Cigars: \$0.04 or less - \$0.02 each 0.05 to \$0.06 - \$0.025 each 0.07 to 0.09 - 0.04 " 0.10 " 0.12 - 0.05 " 0.13 " 0.15 - 0.06 " 0.16 " 0.18 - 0.08 " 0.19 " 0.21 - 0.09 " 0.22 " 0.24 - 0.10 " 0.25 " 0.30 - 0.13 " 0.31 " 0.39 - 0.16 " 0.40 " 0.48 - 0.20 " Over \$0.48 - \$0.25 each Other tobacco products - \$0.05 per 1/2 ounce.	Cigarettes - \$0.0096 each. Cigars: \$0.10 or less - \$0.03 each \$0.11 to \$0.20 - \$0.05 each Over \$0.20 - \$0.10 each Other tobacco \$0.05 per 1/2 ounce or fraction thereof.	Cigarettes - \$0.0032 each. Cigars: \$0.07 or less - \$0.01 each 0.08 to \$0.15 - \$0.02 each 0.16 " 0.22 - 0.03 " 0.23 " 0.32 - 0.05 " 0.33 " 0.42 - 0.07 " Over \$0.42 - \$0.09 each Tobacco \$0.02 per 1/2 ounce or fraction thereof.
4	Comments . . . . .	-	-	-
	<b>Alcoholic beverage tax</b>			
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 - \$0.0096 each. Cigars: \$0.05 or less - \$0.02 each 0.06 to 0.09 - 0.03 each 0.10 " 0.13 - 0.05 " 0.14 " 0.17 - 0.07 " 0.18 " 0.25 - 0.10 " 0.26 " 0.33 - 0.16 " 0.34 " 0.41 - 0.20 " 0.42 " 0.49 - 0.24 " Over \$0.49 - \$0.30 each. Other tobacco products \$0.055 per 1/2 ounce or part thereof.	Cigarettes - \$0.006 each. Cigars: \$0.05 or less - \$0.01 each 0.06 to 0.10 - 0.02 each 0.11 " 0.15 - 0.03 " 0.16 " 0.20 - 0.04 " 0.21 " 0.30 - 0.06 " 0.31 " 0.40 - 0.08 " Over \$0.40 - \$0.10 each Other tobacco products \$0.03 per 1/2 ounce or part thereof.	Cigarettes - \$0.0032 each. Cigars: \$0.07 or less - \$0.01 each 0.08 to 0.15 - 0.02 each 0.16 " 0.22 - 0.03 " 0.23 " 0.32 - 0.05 " 0.33 " 0.42 - 0.07 " Over \$0.42 - \$0.09 each	3
-	-	-	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
	<b>Telecommunication tax</b>					
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.
	<b>Meals and lodging tax</b>					
5	Statutory authority . . . . .	—	—	—	—	Meals and Hotels Tax Act R.S.Q. 1964, c. 73 and amendments.
6	Basis . . . . .	—	—	—	—	Meals priced over \$3.25, alcoholic beverages, any aerated water to which essence or syrup has been added.
7	Rate . . . . .	—	—	—	—	10% for meals over \$3.25.
8	Comments. . . . .	—	—	—	—	The tax is not payable by persons employed in an establishment on the price of meals (not including alcoholic beverages and aerated water) supplied to them by the person who keeps the establishment. Beer served in a tavern is not taxable.

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
<b>Amusement taxes</b>						
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 . . . . .	-	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 . 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 entertainments; agricultural fairs; religious, educational or charitable functions.	Charitable, agricultural or church functions. Taxes collected by the municipalities.
<b>Race track taxes</b>						
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 relinquished to municipalities.

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. 412 and amendments.	-	-	See: Race track tax.	-	-	-	1
Admission price.	-	-	-	-	-	-	2
Farm; \$3.01 and over 10%.	-	-	-	-	-	-	3
Religious, charitable or educational functions (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%	7 1/2%	10%	5%	8%	-	-	7
-	1 1/2% of the rate is kept as commission by the track operators. Rate determined by Lieutenant Governor in council.	-	-	1 1/2% 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
	<b>Insurance premium taxes</b>					
	(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 . . . . .	11%	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.	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.	Insurance Premium Tax Ordinance; O.Y.T. 1976, c. 2.	Insurance Ordinance 1976.	1
(b) The Insurance Act; R.S.O. 1970, c. 224 and amendments.				(b) Insurance Act; R.S.B.C. 1960, c. 197 and amendments.			
(a) Gross premiums or deposits.	Premium income.	Gross premiums.	Gross premiums.	(a) Gross premiums.	Gross Premiums.	Premium income.	2
(b) Gross premiums or reciprocal or inter-insurance exchanges.				(b) Premiums paid to unlicensed insurer or reciprocal exchange.			
2%	2%	2%	2%	(a) 2% (b) 5%	2%	2%	3
Additional 1/3 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.	Insurance Ordinance 1976.	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

1 2% on life, sickness and accident insurance.

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 exceeding \$100,000.	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 net 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.
<p>(a) The Mining Royalty and Tax Act; R.S.M. 1970, c. M-180 and amendments.</p> <p>(b) The Mineral Taxation Act; R.S.M. 1970, c. M-150 and amendments.</p> <p>(c) The Metallic Minerals Royalty Act; S.M. 1975, c. M-425.</p>	<p>(a) The Mineral Taxation Act; R.S.S. 1965, c. 64 and amendments.</p> <p>(b) The Mineral Resources Act; R.S.S. 1965, c. 50 and amendments.</p> <p>(c) The Oil and Gas Conservation, Stabilization and Development Act; S.S. 1973, c. 72 and amendments.</p> <p>(d) The Road Allowance Crown Oil Act; R.S.S. 1965, c. 53.</p>	<p>(a) The Freehold Mineral Taxation Act; S.A. 1973, c. 89.</p> <p>(b) The Mines and Minerals Act; R.S.A. 1970, c. 238 and amendments.</p> <p>(c) Oil and Gas Conservation Act; R.S.A. 1970, c. 267.</p>	<p>(a) Mineral Land Tax Act; S.B.C. 1973, c. 53.</p> <p>(b) Mineral Resource Tax Act; S.B.C. 1976, c. 31.</p> <p>(c) Petroleum and Natural Gas Act; S.B.C. 1965, c. 33 and amendments.</p> <p>(d) Coal Act; S.B.C. 1974, c. 15.</p> <p>(e) Mining Tax Act; R.S.B.C. 1960, c. 247.</p>	Yukon Placer Mining Act; R.S.C. 1970, c. Y3.	Canada Mining Regulations; P.C. 1961. -325.	1
<p>(a) Net profit of mining operations.</p> <p>(b) Assessed value of minerals in, on, or under freehold land in designated production area.</p> <p>(c) Net profit of mining operations.</p>	<p>(a) 1. Flat rate per acre for freehold minerals owned by corporations.</p> <p>2. Assessed value of oil, potash and coal for preceding year.</p> <p>3. Value of potash ore reserves, mine, plant.</p> <p>(b) 1. Product ton of potash.</p> <p>2. (i) Oil produced from Crown lands.</p> <p>(ii) Operator share of oil and road allowance oil produced from Crown lands.</p> <p>3. (i) Net profit of mining companies (metallic minerals and uranium).</p> <p>(ii) Ton of coal.</p> <p>(c) Operator share of oil and road allowance oil produced from freehold rights.</p> <p>(d) All oil produced.</p>	<p>(a) Assessed value of principal minerals in freehold lands.</p> <p>(b) Value of production on Crown lands.</p> <p>(c) Oil and gas property in designated areas.</p>	<p>(a) 1. Tracts outside designated producing areas.</p> <p>2. Designated production areas.</p> <p>(b) Net income from mining operations.</p> <p>(c) 1. Crude petroleum.</p> <p>2. Natural gas by-products.</p> <p>3. Natural gas.</p> <p>(d) 1. Metallurgical coal.</p> <p>2. Thermal coal.</p> <p>(e) Net income.</p>	Value of gold shipped from Yukon.	Annual value of output.	2
<p>(a) 6% if income is under \$50,000; 23% on entire income if income exceeds \$50,000 (or a lesser amount as determined by the Lieutenant-Governor-in-Council).</p>	<p>(a) 1. (i) \$0.50 (minimum tax \$1).</p> <p>(ii) Additional tax on all lands of 500,000 or more acres.</p> <p>2. Producing tract tax of 8 mills times twice the assessed value; coal is one and a half times.</p> <p>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.</p>	<p>(a) Rates determined by order in council.</p>	<p>(a) 1. 49,999 acres or less, \$0.25 per acre.</p> <p>50,000 - 99,999 acres, \$0.40 per acre.</p> <p>100,000 - 249,999 acres, \$0.55 per acre.</p> <p>250,000 - 499,999 acres, \$0.70 per acre.</p> <p>500,000 - 999,999 acres, \$0.85 per acre.</p> <p>1,000,000 acres and over - \$1 per acre.</p> <p>2. \$2 per acre.</p>	2 1/2%	<p>\$10,001 - \$1,000,000: 3%</p> <p>\$1,000,001 - \$5,000,000: 5%</p> <p>\$5,000,001 - \$10,000,000: 6%</p> <p>\$10,000,001 and over: an additional 1% for each additional \$5,000,000, not to exceed 12%.</p>	3

TABLE 6. Miscellaneous Provincial Levies - Continued

No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario
	<b>Mining and mineral taxes - Concluded</b>						
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.
	<b>Logging taxes</b>						
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>(a) 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>(c) 15% on base profit, 35% on excess of base profit (as determined by the Act).</p> <p>An 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>(a) 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>(e) 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>	<p>—</p> <p>Rates established by Order-in-Council.</p> <p>—</p> <p>—</p> <p>—</p> <p>—</p> <p>—</p>	<p>—</p> <p>Exemption for the first \$10,000 of output.</p> <p>—</p> <p>—</p> <p>—</p> <p>—</p>	<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p>

TABLE 6. Miscellaneous Provincial Levies - Continued

No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario
1	Motor vehicle registrations and driving permits 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).  (c) Driver.  (d) Chauffeur.	(a) Passenger vehicles: weight of the vehicle.  (b) Commercial vehicles: over 3,000 lb. rate increases per 1,000 lb. (gross weight).  (c) Driver.  (d) Chauffeur.	(a) Passenger vehicles: per 100 lb. weight.  (b) Commercial vehicles: over 4,000 lb. rate increases per 1,000 lb. (net weight).  (c) Driver.  (d) Chauffeur.	(a) Passenger vehicles: per lb. of weight.  (b) Commercial vehicles: over 4,500 lb. rate increases per 1,000 lb. (gross weight).  (c) Driver.  (d) Chauffeur.	(a) Passenger vehicles: per 100 lb. vehicle weight.  (b) Commercial vehicles: over 5,000 lb.: graduated scale per 1,000 lb. (gross weight).  (c) Driver.  (d) Chauffeur.	(a) Passenger vehicles: number of cylinders.  (b) Commercial vehicles: weight.  (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.  (c) Driver's and chauffeur's licences - \$15.  (d) Chauffeur's licence - \$7.	(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.  (c) Driver's licence - \$6.  (d) Chauffeur's licence - \$7.	(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 100,000 lb.: from \$31 to \$1,354.  (c) Driver's licence - \$6.  (d) Chauffeur's licence - \$7.	(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.  (c) (d) Driver's and chauffeur's licences - \$4 plus a \$6 unsatisfied judgement fee.	(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.  (c) (d) Driver's and chauffeur's licences - \$12.	(a) Passenger vehicles: 4 cylinders or less \$30. 6 cylinders - \$45. 8 cylinders - \$60: Northern Ontario \$10 flat fee.  (b) Commercial vehicles: from \$60 (up to 5,000 lb.) to \$2,227 (139,501 to 140,000 lb.).  (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. 1971, c. 1160 and amendments.	The Vehicles Act, R.S.S. 1968, 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: each 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.: \$15; from 2,500 lb. and up: \$16 to \$120.	(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 \$732.	(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 two years on trial 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
	<b>Hospitalization and medical care premiums and payroll taxes</b>						
1	Statutory authority	-	-	-	-	Health Insurance Act; S.Q. 1970, c. 37 and amend- ments.	The Health Insurance Act; S.O. 1972, c. 91.
2	Basis . . . . .	-	-	-	-	Employer payroll.	Monthly premiums:
3	Rate . . . . .	-	-	-	-	1.5% of payroll without limit.	Maximum rates: Single . . . . . \$19 Family . . . . . \$38
4	Comments. . . . .	-	-	-	-	-	Intermediate rates: Single: Taxable income up to \$2,500 . . . exempt \$2,500 - \$3,000 . . . . . \$ 9.50 Family: Taxable income up to \$3,000 . . . exempt \$3,000 - \$4,000 . . . . . \$ 9.50 \$4,000 - \$4,500 . . . . . \$19.00 \$4,500 - \$5,000 . . . . . \$28.50 Persons 65 years of age and over are exempt. Hospitalization and medical care premiums are combined.
	<b>Miscellaneous taxes</b>						
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 Athletics Control Act; R.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. . . . .	-	-	-	-	-	-
							<b>Land transfer tax</b>
10	Name of tax. . . . .	-	-	-	-	-	The Land Transfer Tax Act; S.O. 1974, c. 8.
11	Statutory authority	-	-	-	-	-	Purchase price.
12	Basis . . . . .	-	-	-	-	-	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 in- dustrial is exempt.
13	Rate . . . . .	-	-	-	-	-	-
14	Comments. . . . .	-	-	-	-	-	-
							<b>Land speculation tax</b>
15	Name of tax. . . . .	-	-	-	-	-	The speculation Tax Act; S.O. 1974, c. 17.
16	Statutory authority	-	-	-	-	-	Increase in the value of "designated land" (all real property in Ontario except Canadian resource property).
17	Basis . . . . .	-	-	-	-	-	20%
18	Rate . . . . .	-	-	-	-	-	Certain transfers of land and properties, as as specified in the Act (Section 4) are exempt.
19	Comments. . . . .	-	-	-	-	-	

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 . . . . . \$ 91.80 Family . . . . . \$183.60 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, persons with taxable incomes below \$2,000 and families with taxable incomes below \$3,000 do not have to pay premiums. Individuals with taxable incomes of \$2,000-\$3,000 pay only \$46.80. Similarly, families with taxable incomes of \$3,000-\$4,000 pay \$93.60. 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 G); 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.	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, steam or hot water 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 68% of own source revenue in 1977 followed by business taxes (7%) and special assessment taxes (3%).<sup>1</sup>

### 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 revenue requirements and obligates them to levy real property taxes for the revenue requirements of other local government entities, 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 Quebec, the Montréal Urban Community levies a special real property tax on the assessment in excess of \$100,000 of all real properties which are included in its assessment roll. This tax is collected by member municipalities.

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 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 government.

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

### Business tax

Proceeds from the business tax levied on the owners or operators of a business, above and over the real property tax, are the second most important revenue available to municipalities from own sources. 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 may be used as the basis for business tax by all municipalities in Manitoba, Alberta and British Columbia; as well as by cities and towns in Quebec and cities in Saskatchewan.

(b) **Real property assessment** — The value on which the business tax is levied is determined through the application of percentages (generally 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 portion of the property used or occupied for business purposes and this portion is assessed in the name of the occupier. Both real property and business taxes are collected by the New Brunswick government which pays 100 per cent of the warrant to the municipality. There is no business tax as such in Prince Edward Island. A tax rate applies to all properties or parts thereof which are used for commercial purposes, and the assessment is made 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 and Quebec.

(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 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 bases vary among types of business and between cities and other categories of municipal legal organizations, i.e., towns, rural municipalities, villages, etc.

### Special Assessment and Local Improvement Taxes

Unlike the above-described municipal levies, special assessment and local improvement taxes 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 or 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 apportioned may take various forms, such as the total or a portion of the real property assessed value, land area or frontage on streets.

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

<sup>1</sup> 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.</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 Montréal, 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>(d) School tax: determined by municipal councils upon receipt of requisition of funds for school purposes from the provincial government and school boards.</p> <p>(e) 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>(c) 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.	(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.	(b) Places of public worship; non-profit cemetery or burying ground; public parks; Crown lands; buildings or structures which are part of a purification system but not the land on which they are situated; university lands; public educational institutions, real property owned or used by the Maritime Christian College for religious education; real property owned by the Queen in right of Canada.  (c) Real property of cheese and butter factories; public halls; orphanages; cemeteries; parochial residences; school; churches; hospitals.	(a) Crown property; church property; schools; municipal buildings; school lands; city, town and municipal property; firefighting equipment; property of 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.	(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).	(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.	(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.
5	Comments.	(d) Lands under 300 acres, area situated in St. John's or Corner Brook; assessed under the Local Government Act.  (e) Minimum real property tax of \$20. The cities of St. John's and Cornerbrook levy taxes under separate Acts.	All real property including real property owned by the Crown is assessed at its market value.	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.	School district and local service district tax rates are fixed annually by the Minister of Municipal Affairs.  The province collects the provincial property tax and also collects the tax which a municipality desires to levy in addition to the provincial tax.	For municipalities governed by the Municipal Code, assessment is made by County Councils.  Factors of correction are applied to municipal assessments for school tax purposes by the Department of Education.	(b) Minimum real property tax of \$1 levied by the province in unorganized areas.

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 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 1. Personal Income Taxes Levied by the Federal Government, 1972 and 1974 to 1978

No.	1972	1974	1975
	<b>RATES</b>		
	"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	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	9% on the first \$587 of taxable income \$ 53 on \$ 587 plus 18% on next \$ 587 158 " 1,174 " 19% " " 1,174 382 " 2,348 " 20% " " 1,174 616 " 3,522 " 21% " " 2,348 1,109 " 5,870 " 23% " " 2,348 1,649 " 8,218 " 25% " " 2,348 2,236 " 10,566 " 27% " " 2,348 2,870 " 12,914 " 31% " " 3,522 3,962 " 16,436 " 35% " " 11,740 8,071 " 28,176 " 39% " " 17,610 14,939 " 45,786 " 43% " " 24,654 25,540 " 70,440 " 47% " excess
	<b>PERSONAL EXEMPTIONS</b>		
2	Individuals taxed as married . . . . . \$2,850	Individuals taxed as married . . . . . \$3,198	Individuals taxed as married . . . . . \$3,522
3	Individuals taxed as single . . . . . 1,500	Individuals taxed as single . . . . . 1,706	Individuals taxed as single . . . . . 1,878
4	Dependant child 16 years of age . . . . . 300	Dependant child 16 years of age . . . . . 320	Dependant child 16 years of age . . . . . 352
5	Other dependants . . . . . 550	Other dependants . . . . . 586	Other dependants . . . . . 646
6	Taxpayer aged 65 years or over . . . . . 1,000	Taxpayer aged 65 years or over . . . . . 1,066	Taxpayer aged 65 years or over . . . . . 1,174
	<b>DEDUCTIONS</b>		
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.	\$1,066 for blind persons and persons confined to a bed or wheelchair. Interest income up to \$1,000. A portion of political contributions to registered parties and candidates up to a maximum of \$500. Other deductions remain unchanged.	\$1,174 for blind persons and persons confined to a bed or wheelchair. Interest and Canadian dividend income up to \$1,000. \$1,000 for pension income other than universal pension plans. Other deductions remain unchanged.
	<b>TAX REDUCTIONS AND CREDITS</b>		
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%. (Effective 1973.) Other reductions remain unchanged.	A general 8% reduction of basic federal tax (minimum \$200, maximum \$500) replaces the 1973 reduction of 5%. Other reductions remain unchanged.
	<b>SPECIAL TAX</b>		
9	30% on income earned in the Yukon and Northwest Territories and in another country.	Same as 1972	Same as 1974
	<b>SURTAX</b>		
10	Rate	-	-

TABLE 1. Personal Income Taxes Levied by the Federal Government, 1972 and 1974 to 1978

1976	1977	1978	No.
<p>6% on the first \$654 of taxable income</p> <p>\$ 39 on \$ 654 plus 18% on next \$ 653</p> <p>18% " 1,307 " 19% " " 1,307</p> <p>40% " 2,614 " 20% " " 1,307</p> <p>66% " 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>15% " 1,419 " 17% " " 1,419</p> <p>39% " 2,838 " 18% " " 1,419</p> <p>65% " 4,257 " 19% " " 2,838</p> <p>1,192 " 7,095 " 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 " 55,341 " 39% " " 29,799</p> <p>28,167 " 85,140 " 43% " excess</p>	<p>6% on the first \$761 of taxable income</p> <p>\$ 46 on \$ 761 plus 16% on next \$ 760</p> <p>16% " 1,521 " 17% " " 1,521</p> <p>42% " 3,042 " 18% " " 1,521</p> <p>70% " 4,563 " 19% " " 3,042</p> <p>1,278 " 7,605 " 21% " " 3,042</p> <p>1,916 " 10,647 " 23% " " 3,042</p> <p>2,616 " 13,689 " 25% " " 3,042</p> <p>3,377 " 16,731 " 28% " " 4,563</p> <p>4,654 " 21,294 " 32% " " 15,210</p> <p>9,521 " 36,504 " 36% " " 22,815</p> <p>17,735 " 59,319 " 39% " " 31,941</p> <p>30,192 " 91,260 " 43% " excess</p>	1
<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>	<p>..... \$4,560</p> <p>..... 2,430</p> <p>..... 460</p> <p>..... 840</p> <p>..... 1,520</p>	2 3 4 5 6
<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>	<p>\$1,520 for blind persons and persons confined to a bed or wheelchair.</p> <p>Other deductions remain unchanged.</p>	7
<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 "grossed up" by one-half) of dividends from taxable Canadian corporations.</p> <p>Other reductions remain unchanged.</p>	<p>A general 9% of tax payable with a minimum of \$300 and maximum of \$500.</p> <p>Other reductions remain unchanged.</p>	8
<p>Same as 1975</p>	<p>43%</p>	<p>43% on income earned in the Yukon and in another country.</p>	9
<p>10% on tax payable exceeding \$8,000.</p>	<p>The surtax is repealed.</p>	<p>Same as 1977</p>	10

TABLE II. Personal Income Taxes Levied by the Province of Quebec, 1972 and 1974 to 1978

No.	1972	1974	1975
	<b>RATES</b>		
1	<p>10% on first \$2,000 of taxable income  \$ 200 on \$ 2,000 plus 11% on next \$ 1,000  310 " 3,000 " 12% " " 2,000  550 " 5,000 " 14% " " 2,000  830 " 7,000 " 16% " " 2,000  1,150 " 9,000 " 18% " " 2,000  1,510 " 11,000 " 20% " " 3,000  2,110 " 14,000 " 22% " " 10,000  4,310 " 24,000 " 24% " " 15,000  7,910 " 39,000 " 26% " " 21,000  13,370 " 60,000 " 28% " excess</p> <p>Health insurance tax:  0.8% of net income; maximum: \$125 at least 3/4 of net income  is salary and \$200 otherwise.</p> <p><b>EXEMPTIONS</b></p> <p>Individuals taxed as married . . . . . \$2,850  Individuals taxed as single . . . . . 1,500  Child 16 years of age and over de pendant on taxpayer . . . . . 550  Taxpayer aged 65 years of age or over . . . . . 650</p> <p>Low income:  No tax is payable if income does not exceed \$2,000 if single or  \$4,000 if married.</p> <p><b>DEDUCTIONS</b></p> <p>Employment expense:  Certain deductions are available for some expenses related to employ-  ment, such as the purchase of certain tools and special clothing,  moving expenses and child care expenses.</p> <p>\$650 for blind persons and persons confined to a bed or wheelchair.</p> <p>Union or professional dues:  No restriction.</p> <p>Charitable donations:  Up to 10% of income.</p> <p>Medical expenses:  Over 3% of income or standard deduction of \$100 in lieu of claiming  deductions for charitable donations and medical expenses.</p> <p><b>TAX CREDIT</b></p> <p>Credit for dividends from Canadian corporations:  50% of corresponding federal credit.</p>	<p>Same as 1972</p> <p>Same as 1972</p> <p>Same as 1972, except for the following:  Taxpayer aged 65 years of age or over \$1,000</p> <p>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.</p> <p>\$1,000 for blind persons and persons confined  to a bed or wheelchair.  Employment expense . . . . . \$ 150  (Effective 1973)</p> <p>Interest income . . . . . \$1,000</p> <p>Other deductions remain unchanged.</p> <p>Same as 1972</p>	<p>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% " excess</p> <p>Same as 1974</p> <p>Same as 1974, except for the following:  Individuals taxed as married . . . . . \$3,500  Individuals taxed as single . . . . . 1,600  \$1,000 for pension income other than uni-  versal pension plans.</p> <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> <p>Employment expense . . . . . \$ 500</p> <p>Interest and dividend income . . . . . \$1,000</p> <p>Other deductions remain unchanged.</p> <p>Same as 1974</p>

TABLE III. Personal Income Taxes Levied by the Provinces Other than Quebec, 1972 and 1974 to 1978

No.	Province	1972	1974	1975
1	Newfoundland . . . . .	36.0%	40.0% (July 1)	40.0%
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%	26.0%
9	British Columbia . . . . .	30.5%	30.5%	30.5%
10	Northwest Territories . . . . .	—	—	—

TABLE II. Personal Income Taxes Levied by the Province of Quebec, 1972 and 1974 to 1978

1976	1977	1978	No.
Same as 1975	Same as 1976	<p>13% on the first \$577 of taxable income</p> <p>\$ 75.01 on \$ 577 plus 14% on the next \$ 667</p> <p>168.39 " 1,244 " 15% " " " 771</p> <p>284.04 " 2,015 " 16% " " " 891</p> <p>426.60 " 2,906 " 17% " " " 1,030</p> <p>601.70 " 3,936 " 18% " " " 1,191</p> <p>816.08 " 5,127 " 19% " " " 1,377</p> <p>1,077.71 " 6,504 " 20% " " " 1,591</p> <p>1,395.91 " 8,095 " 21% " " " 1,840</p> <p>1,782.31 " 9,935 " 22% " " " 2,126</p> <p>2,250.03 " 12,061 " 23% " " " 2,458</p> <p>2,815.37 " 14,519 " 24% " " " 2,841</p> <p>3,497.21 " 17,360 " 25% " " " 3,284</p> <p>4,318.21 " 20,644 " 26% " " " 3,797</p> <p>5,305.43 " 24,441 " 27% " " " 4,388</p> <p>6,490.19 " 28,829 " 28% " " " 5,073</p> <p>7,910.63 " 33,902 " 29% " " " 5,864</p> <p>9,611.19 " 39,766 " 30% " " " 6,778</p> <p>11,644.59 " 46,544 " 31% " " " 7,836</p> <p>14,073.75 " 54,380 " 32% " " " 9,034</p> <p>16,100.63 " 60,714 " 33% " excess</p> <p>Health insurance tax: Employees' premiums are included in the income tax tables.</p>	1
Health insurance tax: 1.5% of net income; maximum \$135 if at least 3/4 of net income is salary and \$375 otherwise.	Same as 1976		
Same as 1975	Same as 1976	<p>Individuals taxed as married . . . . . \$6,300</p> <p>Individuals taxed as single . . . . . 3,600</p> <p>Child 16 years of age and over dependant on taxpayer . . . . . 900</p> <p>Individual aged 65 years of age or over . . . . . 1,500</p>	2
Same as 1975	Same as 1976	<p>\$1,500 for blind persons and persons confined to a bed or wheelchair. Other deductions remain unchanged.</p>	3
Same as 1975	Same as 1976	Same as 1977	4

TABLE III. Personal Income Taxes Levied by the Provinces Other Than Quebec, 1972 and 1974 to 1978

1976	1977	1978	No.
42.0%	58.0%	58.0%	1
(July 1)	(July 1)		
36.0%	50.0%	50.0%	2
38.5%	52.5%	52.5%	3
40.6%	55.5%	54.0%	4
30.5%	44.0%	44.0%	5
42.5%	56.0%	56.0%	6
40.0%	58.5%	53.0%	7
26.0%	38.5%	38.5%	8
32.5%	46.0%	46.0%	9
(July 1)			
-	-	43.0%	10

TABLE IV. Federal Corporation Income Tax, 1972 and 1974 to 1978

No.		1972	1974	1975
1	General rate . . . . .	50%	48%	47%
2	Special rates . . . . .	Resource production profits: 50% 25% on Canadian-controlled private corporations on first \$50,000 of active business income per year; an overall limit of \$400,000.	Same as 1972 except for the following: 25% for Canadian-controlled private corporation on first \$100,000 of active business income per year to an overall limit of \$500,000. Manufacturing and processing profits: 40% (20% for Canadian-controlled private corporations), effective 1973.	Same as 1974
3	Deductions . . . . .	Charitable donations up to 20% of net 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 1974
4	Reductions and credits . . . . .	10% abatement of taxable income earned in a province. 7% reduction of tax payable. Foreign tax credit for taxes paid to another country on non-business income earned in Canada as defined in section 126 of the Act. 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: 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.	Same as 1974 except for the following: A 5% investment tax credit is applicable to new buildings, machinery and equipment acquired between June 24, 1975 to July 1, 1977.
5	Surtax . . . . .	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).	Same as 1974

TABLE V. Provincial Corporation Income Taxes<sup>1</sup>, 1972 and 1974 to 1978

No.		1972	1974	1975
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%	13%
11	Northwest Territories . . . . .	-	-	-

<sup>1</sup> 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 and 1974 to 1978

1976	1977	1978	No.
46%	46%	46%	1
Same as 1975 except for the following: The rate of 50% on resource production profits is repealed. 25% for Canadian-controlled private corporation on first \$150,000 of active business income per year and overall limit of \$750,000.	Same as 1976	Same as 1977	2
Same as 1975	Same as 1976	Same as 1977	3
Same as 1975 except for the following: 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's fiscal year.	Same as 1977	4
No longer applicable	Same as 1976	Same as 1977	5

TABLE V. Provincial Corporation Income Taxes<sup>1</sup>, 1972 and 1974 to 1978

1976	1977	1978	No.
14%	14%	14%	1
10%	10%	10%	2
12%	12%	12%	3
10%	12%	12%	4
12%	12%	12%	5
12%	12%	13%	6
15%	15%	15%	7
12%	14%	14%	8
11%	11%	11%	9
15%	15%	15%	10
-	-	10%	11

<sup>1</sup> 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 VI. Federal and Provincial General Sales Taxes, 1973 to 1978

No.		1973	1974	1975
1	<b>I. Federal sales tax</b> (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%.	Construction materials and equipment for buildings: 5%. (Effective November 19.)	Same as 1974
	<b>EXEMPTIONS</b>			
3	Unless otherwise specified these are new exemptions. . . . .	Confectioneries, chocolate bars, soft drinks, fruit drinks and similar near food products: children's clothing, shoes and other footwear.	Clothing and footwear.	Insulation material.
4	<b>II. Provincial sales taxes</b> (imposed on retail price):			
	Newfoundland . . . . .	7%	8% (April 10)	8%
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 . . . . .	7% (May 1)	7%	5% (April 8)
10	(b) Meals and alcoholic beverages	10%	10%	10%
11	Manitoba:			
	(a) General . . . . .	5%	5%	5%
12	(b) Spirits, wines and imported beer	10%	10%	10%
13	Saskatchewan . . . . .	5%	5%	5%
14	British Columbia . . . . .	5%	5%	5%
	<b>EXEMPTIONS</b>			
15	Unless otherwise specified these are new exemptions. . . . .	<p><b>Nova Scotia:</b></p> <p>Larger sizes of children's clothing and footwear; all merchandise, except automotive equipment and parts, sold to Indians on reservations for their own use. Exemption for prepared meals is raised to \$2.00 from \$1.00.</p> <p><b>Quebec:</b></p> <p>Exemption for meals raised from \$1.25 to \$1.50. Small sale exemption raised from \$0.10 to \$0.15.</p> <p><b>Ontario:</b></p> <p>Exemption for meals increased from \$2.50 to \$4. Seeds, bulbs, natural flowers, etc., household pets.</p> <p><b>Saskatchewan:</b></p> <p>Repeal of the exemption on railway rolling stocks, ties and steel rails.</p> <p><b>British Columbia:</b></p> <p>Repeal of the exemption on railway rolling stocks.</p>	<p><b>Newfoundland:</b></p> <p>Domestic fuel and heating oil.</p> <p><b>Prince Edward Island:</b></p> <p>Goods and materials used in making clothing; soap and cleaning supplies, and articles traded in against purchases. Small sales exemption raised from \$0.10 to \$0.15. 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.</p> <p><b>Nova Scotia:</b></p> <p>Exemption for purchases of \$0.25 or less, medicaments used by humans or animals and prepared meals costing \$3.00 or less.</p> <p><b>New Brunswick:</b></p> <p>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.</p> <p><b>Ontario:</b></p> <p>Personal hygiene items, e.g., toothpaste, baby powder, soap, detergents, etc., and footwear of \$30 or less.</p> <p><b>Manitoba:</b></p> <p>Exemption for prepared meals raised to \$2.99 from \$1.99. Purchases (except motor cars) made by Status Indians.</p> <p><b>British Columbia:</b></p> <p>Books and second-hand clothing.</p>	<p><b>Prince Edward Island:</b></p> <p>Small sales exemption raised from \$0.15 to \$0.25.</p> <p><b>Nova Scotia:</b></p> <p>Anti-pollution equipment and devices purchased by manufacturers, producers and processors or other designated persons.</p> <p><b>New Brunswick:</b></p> <p>Laundry and drycleaning services.</p> <p><b>Quebec:</b></p> <p>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.</p> <p><b>Ontario:</b></p> <p>Machinery and equipment for production and/or construction purposes exempt to December 31, 1977.</p> <p><b>Saskatchewan:</b></p> <p>Restaurant meals; books and other reading materials.</p>

TABLE VI. Federal and Provincial General Sales Taxes, 1973 to 1978

1976	1977	1978	No.
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 " "	12% Same as 1977	1 2
Certain energy saving equipment such as solar furnaces and wind-powered generating equipment.	Wheelchairs and lifts, tricycles, coinage, tapestries, buses and vans for transporting the handicapped and 50% of the value of metric scales.	Nil	3
10% (November 24, 1975)	10%	11% (March 18)	4
8%	8%	8%	5
8%	8%	8%	6
(March 20)	8%	8%	7
8%	8%	8%	8
7%	7%	7%	9
(January 1)	10%	10%	10
10%	5%	5%	11
5%	10%	10%	12
10%	5%	5%	13
7%	7%	5%	14
(March 27)		(April 11)	
Newfoundland: Clothing. Small sales exemptions raised to \$0.19 from \$0.07.	Newfoundland: Exemption for meals less than \$3. 50% of the sale price of mobile homes. Insulation materials.	Newfoundland: Domestic consumption of electricity. Wood burning stoves and furnaces.	15
Prince Edward Island: Insulating materials and certain alternate energy sources.	Prince Edward Island: The exemption on the price of admission to places of amusement increased from \$0.80 to \$1.00.	Prince Edward Island: Exemption for meals less than \$5. Goods purchased by Status Indians for consumption on the reserve with the exception of prepared meals and alcohol.	
Nova Scotia: Electrical generation and distribution equipment purchased by certain municipalities.	Nova Scotia: Thermal insulation materials.	Nova Scotia: Solar heating equipment and windmills.	
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.	New Brunswick: Repeal of the exemption on building materials with the exception of thermal insulation materials.	
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 childrens' clothing and shoes repealed.	Quebec: Clothing, textiles, shoes and furnitures for the period April 13, 1978 to March 31, 1979. Films, magnetic tape, video tape and other items used for broadcasting.	
Manitoba: Repeal of the exemption on railway rolling stock.	Ontario: Exemption for meals 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.	Ontario: The sales tax on accommodation is repealed for the period March 8, 1978 to December 31, 1979 as for the special tax of 10% on prepared meals and alcoholic beverages the rate is reduced to 7% for the period April 11, 1978 to October 7, 1978. Repeal of the exemption on railway rolling stock. Storm and double glazed doors and windows.	
	Manitoba: Insulation materials used in residential construction.	Manitoba: Exemption for 50% of the selling price of mobile homes and 55% of the selling price of modular homes. Triple glazed doors and windows. Steam heat & hot water.	
	British Columbia: Steel granaries purchased by farmers for storing grain on their farms. Exemption of 50% of the purchase price of mobile homes and 55% on the purchase price of certain modular homes. Insulation materials used in residential housing.	Saskatchewan: Small sales exemptions raised to \$0.25 from \$0.14. 50% of the tax paid on mobile homes is refunded.	
		British Columbia: Exemption is granted for new or repaired machinery having a minimum value of \$100 when purchased by a small business, certain farm equipment and survival suits purchased by fishermen for the period April 10, 1978 to April 1st, 1979.	

TABLE VII. Provincial Taxes on Motive Fuels, 1973 to 1978

No.	Province	1973	1974
		rates per gallon	
	<b>Newfoundland:</b>		
1	Gasoline and diesel fuel . . . . .	\$0.25	\$0.25
	<b>Prince Edward Island:</b>		
2	Gasoline . . . . .	\$0.21	\$0.21
3	Diesel fuel . . . . .	\$0.25	\$0.25
	<b>Nova Scotia:</b>		
4	Gasoline . . . . .	\$0.21	\$0.21
5	Diesel fuel . . . . .	\$0.27	\$0.27
6	Aviation fuel . . . . .	\$0.03	\$0.03
	<b>New Brunswick:</b>		
7	Gasoline . . . . .	\$0.20	\$0.20
8	Diesel fuel . . . . .	\$0.23	\$0.23
9	Aviation fuel . . . . .	\$0.03	\$0.03
	<b>Quebec:</b>		
10	Gasoline . . . . .	\$0.19	\$0.19
11	Diesel fuel . . . . .	\$0.25	\$0.25
12	Aviation fuel . . . . .	\$0.03	\$0.03
	<b>Ontario</b>		
13	Gasoline . . . . .	\$0.19	\$0.19
14	Diesel fuel . . . . .	\$0.25	\$0.25
15	Aviation fuel . . . . .	\$0.03	\$0.03
	<b>Manitoba:</b>		
16	Gasoline . . . . .	\$0.17	\$0.15 } (July
17	Diesel fuel . . . . .	\$0.20	\$0.18 } 1)
18	Aviation fuel . . . . .	\$0.02	\$0.02
	<b>Saskatchewan:</b>		
19	Gasoline . . . . .	\$0.19	\$0.12 } May
20	Diesel fuel . . . . .	\$0.21	\$0.16 } 15)
21	Aviation fuel . . . . .	\$0.04	\$0.04
	<b>Alberta:</b>		
22	Gasoline . . . . .	\$0.15	\$0.10 } (April
23	Diesel fuel . . . . .	\$0.17	\$0.12 } 1)
24	Aviation fuel . . . . .	\$0.03	\$0.03
	<b>British Columbia:</b>		
25	Gasoline . . . . .	\$0.15	\$0.15
26	Diesel fuel . . . . .	\$0.17	\$0.17
27	Aviation fuel . . . . .	\$0.03	\$0.03
	<b>Yukon:</b>		
28	Gasoline . . . . .	\$0.14	\$0.14
29	Diesel fuel . . . . .	\$0.16	\$0.16
		(April 1)	
30	Aviation fuel . . . . .	\$0.02	\$0.02
	<b>Northwest Territories:</b>		
31	Gasoline . . . . .	\$0.14	\$0.14
32	Diesel fuel . . . . .	\$0.15	\$0.15
33	Aviation fuel . . . . .	\$0.025	\$0.025

TABLE VII. Provincial Taxes on Motive Fuels, 1973 to 1978

1975	1976	1977	1978	No.
rates per gallon				
\$0.25	\$0.27 (March 26)	\$0.27	\$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
\$0.18 } (May \$0.21 } 19) \$0.03 }	\$0.18 \$0.21 \$0.05 (May 17)	\$0.18 \$0.21 \$0.05	\$0.18 \$0.21 \$0.05	16
\$0.12 } \$0.16 } \$0.04 }	\$0.15 } (March \$0.21 } 25) \$0.04 }	\$0.19 } (March \$0.266 } 11) \$0.06 }	\$0.19 \$0.266 \$0.06	19
\$0.10	\$0.10	\$0.10	Nil }	22
\$0.12	\$0.12	\$0.12	Nil } (March 31)	23
\$0.03	\$0.03	\$0.03	\$0.03	24
\$0.17 } \$0.19 } (February \$0.05 } 28)	\$0.17 \$0.19 \$0.05	\$0.17 \$0.19 \$0.05	\$0.17 \$0.19 \$0.05	25
\$0.14	\$0.14	\$0.14	\$0.14	28
\$0.16	\$0.16	\$0.16	\$0.16	29
\$0.02	\$0.02	\$0.02	\$0.02	30
\$0.14	\$0.14	\$0.14	\$0.14	31
\$0.15	\$0.15	\$0.15	\$0.15	32
\$0.025	\$0.025	\$0.025	\$0.025	33



TABLE VIII. Provincial Taxes on Tobacco Products, 1973 to 1978

No.		1973	1974
<b>Newfoundland:</b>			
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	\$0.04
<b>Prince Edward Island:</b>			
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	\$0.46 and over: 20% 20% of retail price
<b>Nova Scotia:</b>			
7	Cigarettes (per cigarette) . . . . .	\$0.004	\$0.004
8	Other tobacco products (% of retail price) . . . . .	10%	10%
<b>New Brunswick:</b>			
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	\$0.04
<b>Quebec:</b>			
12	Cigarettes (per cigarette) . . . . .	\$0.004	\$0.004
13	Cigars (per cigar) . . . . .	\$0.05 to 0.10: \$0.01 over \$0.10: 20%	\$0.05 to 0.10: \$0.01 over \$0.10: 20%
14	Manufactured tobacco (% of retail price) . . . . .	20%	20%
<b>Ontario:</b>			
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	\$0.025
<b>Manitoba:</b>			
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	\$0.03
<b>Saskatchewan:</b>			
21	Cigarettes (per cigarette) . . . . .	\$0.0036	\$0.0036
22	Cigars (per cigar) . . . . .	\$0.01 to \$0.04	\$0.01 to \$0.04
23	Manufactured tobacco (per 1/2 ounce) . . . . .	\$0.02 (February 9)	\$0.02
<b>Alberta:</b>			
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	\$0.02
<b>British Columbia:</b>			
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	\$0.02
<b>Yukon:</b>			
30	Cigarettes (per cigarette) . . . . .	Nil	\$0.004
31	Cigars (per cigar) . . . . .	Nil	\$0.01 to \$0.09
32	Other tobacco products (per 1/2 ounce) . . . . .	Nil	\$0.02 (June 1)
<b>Northwest Territories:</b>			
33	Cigarettes (per cigarette) . . . . .	Nil	\$0.0032
34	Cigars (per cigar) . . . . .	Nil	\$0.01 to \$0.09 (April 1)

TABLE VIII. Provincial Taxes on Tobacco Products, 1973 to 1978

1973	1976	1977	1978	No.
\$0.01	\$0.01	\$0.012	\$0.0135	1
\$0.02 to \$0.20	\$0.02 to \$0.20	\$0.04 to \$0.24	\$0.05 to \$0.27	2
\$0.04	\$0.04	\$0.05 (April 28)	\$0.06 (March 18)	3
\$0.008 (May 13)	\$0.008	\$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%	\$0.46 and over: 20%	\$0.46 and over: 20%	\$0.46 and over: 20%	6
\$0.03 per 1/2 ounce unit (May 13)	\$0.03 per 1/2 ounce unit	\$0.03 per 1/2 ounce unit	\$0.03 per 1/2 ounce unit	
\$0.004	\$0.005 (March 20)	\$0.006	\$0.006	7
10%	10%	15% (March 30)	15%	8
\$0.004	\$0.004	\$0.004	\$0.007	9
\$0.01	\$0.01	\$0.01	\$0.01	10
\$0.04	\$0.04	\$0.04	\$0.08 (April 5)	11
\$0.004	\$0.008	\$0.008	\$0.0108	12
\$0.05 to \$0.10: \$0.01	\$0.05 to \$0.10: \$0.01	\$0.05 to \$0.10: \$0.01	\$0.05 to \$0.10: \$0.02	13
over \$0.10: 20%	over \$0.10: 25%	over \$0.10: 25%	over \$0.10: 30%	14
20%	25% (May 12)	25%	30% (April 18)	
\$0.0046	\$0.0071	\$0.0096	\$0.011	15
\$0.01 to \$0.02	\$0.01 to \$0.04	\$0.02 to \$0.04	\$0.02 to \$0.07	16
over \$0.10: \$0.01 add.	over \$0.20: \$0.01 add.	over \$0.10: \$0.02 add.	over \$0.15: \$0.02 add.	
per \$0.05	per \$0.05	per \$0.05	per \$0.05	
\$0.025	\$0.025 (April 7)	\$0.05 (June 28)	\$0.004 per gram (March 8)	17
\$0.006	\$0.008	\$0.008	\$0.01	18
\$0.01 to \$0.15	\$0.02 to \$0.20	\$0.02 to \$0.20	\$0.02 to \$0.25	19
\$0.03	\$0.04 (May 17)	\$0.04	\$0.05 (May 1)	20
\$0.0036	\$0.006 (March 24)	\$0.008	\$0.0096	21
\$0.01 to \$0.04	\$0.01 to \$0.04	\$0.02 to \$0.08	\$0.03 to \$0.10	22
\$0.02	\$0.02	\$0.04 (March 11)	\$0.05 (March 7)	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	\$0.0048	\$0.0048	\$0.0096	27
\$0.01 to \$0.09	\$0.01 to \$0.15	\$0.01 to \$0.15	\$0.02 to \$0.30	28
\$0.02	\$0.03 (March 27)	\$0.03	\$0.055 (April 10)	29
\$0.004	\$0.006	\$0.006	\$0.006	30
\$0.01 to \$0.09	\$0.01 to \$0.10	\$0.01 to \$0.10	\$0.01 to \$0.10	31
\$0.02	\$0.03 (April 1)	\$0.03	\$0.03	32
\$0.0032	\$0.0032	\$0.0032	\$0.0032	33
\$0.01 to \$0.09	\$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, 1973 to 1978

	1973	1974	1975	1976	1977 and 1978
Beer, . . . . .	Excise duty: \$0.42 per gallon.	Same as 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 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 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 1973	Same as 1974	Same as 1975	Same as 1976

Comments: 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 to take account of such levies.

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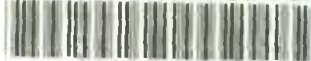
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