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Provincial Sales Tax Commodity Allocation Project, 1984
Sources and Methods

By

P.S.K. Murty, P.A. Généreux, D. Leblanc, M. Greenberg

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PROVINCIAL SALES TAX COMMODITY ALLOCATION PROJECT, 1984

SOURCES AND METHODS

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PROVINCIAL SALES TAX COMMODITY ALLOCATION PROJECT, 1984

SOURCES AND METHODS

By

P.S.K. Murty; P.A. Généreux; D. LeBlanc; M. Greenberg (1)

1. Introduction

The purpose of this project was to produce estimates of provincial sales taxes for 1984 by commodity for each province and to allocate them to the relevant industries and categories of final demand within the existing Input-Output accounting framework used in Canada.

The paper describes data sources and estimation methods for the project. It also discusses problems encountered during the study and the solutions adopted.

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(1) P.S.K. Murty is the Project Manager and Chief of the Public Sector, Input-Output Division of Statistics Canada; Assistant Project Manager P.A. Généreux, D. LeBlanc and M. Greenberg are Economists, Public Sector, Input-Output Division, Statistics Canada. The authors thank: K. Lal, Director General, System of National Accounts Branch; C. Simard, Director of the Input-Output Division; Y. Siddiqi, Assistant Director of the Input-Output Division; L. David, Economist of the Input-Output Division; and J. Diena, Chief of Research Studies in the Income and Expenditure Division for their valuable comments concerning this paper.

2. Background

Data on provincial sales tax by commodity for each province are generally not available. Although various sources exist, none provide the required detail. For example, provincial governments maintain aggregated sales tax revenue data by class of vendor. However, since this source does not contain commodity detail, it could not be used for this project.

In addition, some estimates of provincial sales taxes for personal expenditure exist in the Income and Expenditure Accounts of Statistics Canada. However, these data relate to categories of personal expenditures (groups of commodities). They cover only part of the total economy, the Personal Sector and therefore, this source does not satisfy the full requirements of this project.

Another source of provincial sales tax information is the annual Input-Output Accounts(2) which provide estimates of production and disposition of commodities for the entire economy. These accounts contain, at the present time, provincial sales taxes by specific industries such

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(2) See, The Input-Output Structure of the Canadian Economy, 1961-81, (Revised data), Statistics Canada, Ottawa, September 1987, catalogue 15-510. Commodities in the Input-Output Accounts represent "goods" as well as "services" based on the Input-Output commodity classification. See pp. 13-14.

as construction, and also by final demand categories, such as Personal Expenditure and Machinery and Equipment, but not by commodities.

Although the Input-Output Accounts do not contain, in their present format, the sales taxes by commodity required for the project, they nevertheless have the potential to provide estimates of provincial sales tax by commodity and province within the existing Input-Output structure of the Canadian economy in terms of industry and final demand categories. The following sections outline how the Input-Output Division developed the required database for this project.

3. Sources and Methods

As mentioned, the project's goal was to produce estimates of provincial sales taxes by commodity(3) and by province and to allocate these tax data to the relevant sectors (i.e. industries and categories of final demand) for 1984. In order to estimate the taxes, it was necessary to pursue the following steps:

(1) Define and calculate control totals of provincial sales taxes by province.

(2) Obtain and organize information on provincial sales tax rates applicable to commodities.

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(3) "Commodity" was defined in the Input-Output commodity classification. See Ibid. pp. 13-14.

(3) Determine the tax status or taxability of each commodity and sector for each province including the development of a taxation blueprint.

(4) Apply the relevant tax rates to expenditures by commodity and by sector for each province using the existing Input-Output accounting framework for the Canadian economy.

These four steps, described in the following pages, were used to calculate the provincial sales tax by commodity and by sector for each province using the formula:

Provincial Sales Tax = by commodity and sector by province	Expenditure by commodity and sector by province	x	Taxability by commodity and sector by province	x	Tax rate by commodity and sector by province

In theory, the provincial sales taxes calculated for each province by using the above formula should equal the sales tax control total for each province. In practice, however, some differences could exist as explained later in this paper. The control totals are based on the sales tax collections reported by provincial governments.(4) The derivation of these control totals for Canada as well as for each province is discussed in the following section.

(4) Provincial governments publish sales tax collection data on a fiscal year basis in their Public Accounts. These fiscal year data are converted to a calendar year basis by the Public Institutions Division of Statistics Canada for use in the System of National Accounts (SNA), which include, among others, Input-Output Accounts. For the SNA, these data are grossed up to include commissions paid to vendors and offset by refunds. They are generally called "net collections", which means "net" of refunds but "gross" of commissions. In the System of National Accounts, the "commissions" paid to vendors are added to expenditures of government for the purchase of services.

3.1 Control Totals and Coverage of Provincial Sales Taxes

In the National Income and Expenditure Accounts, Annual estimates, 1976-87, indirect taxes(5) of federal, provincial and local governments are published in Table 52 for each year. These data for 1984 are used for both the Input-Output Accounts and this study. In 1984, indirect taxes for all levels of government totalled $54,957 million. The provincial portion was the highest at $22,368 million or 40.7% while the federal portion was $18,124 million or 33%. The remaining $14,465 million or 26.3% relates to local government.

Before using these data in the Input-Output Accounts, they are first examined and analyzed. After an in-depth analysis, they are classified as either commodity or non-commodity taxes as shown in Appendix VII. The commodity indirect taxes (6) are further subdivided into:

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(5) See Table 52 in National Income and Expenditure Accounts, Annual estimates, 1976-87, Statistics Canada, Ottawa, Nov. 1988, Catalogue 13-201, Annual pp., 58-59. Also see the Input-Output Structure of the Canadian Economy, 1961-81, op. cit., pp., 41-42. In the classification of taxes for use in the System of National Accounts, the first distinction made relates to "direct" and "indirect" taxes. In essence, taxes levied on income are regarded as "direct", while sales taxes and other taxes deductible as expenses by business are "indirect" taxes.

(6) Commodity indirect taxes are those that are related to the quantities or values of commodities produced or sold. The non-commodity indirect taxes are those that cannot be identified with any particular commodity and, in fact, are payable even if no productive activity takes place. For further details, see the Input-Output Structure of the Canadian Economy, 1961-81 op. cit. pp. 41-42.

(i) tax margin (7), (includes all levels of government -- federal, provincial and local taxes)

(ii) import duties, (federal only), and

(iii) other commodity taxes. The provincial and local sales taxes are included in this category.

Details of the classification and the relationship of these categories to the total indirect taxes (both commodity and non-commodity) are shown in Appendices III, IV, V and VI. They are also summarized in Table 1.

This project relates only to taxes included in provincial sales taxes outlined as other commodity taxes of item (iii) above. The derivation of these sales taxes from the total provincial indirect taxes published in Table 52 of National Income and Expenditure Accounts is shown in Table 2.

Provincial sales taxes of $12,004.8 million constituted about 53.7% of the total indirect taxes collected by provincial governments in 1984 (Table 2). The tax margin category was $5738.9 million or 25.6%, and the remaining $4624.1 million or 20.7% was non-commodity taxes (Table 2). Thus, the bulk of the indirect provincial taxes was sales taxes (Table 2). Of these sales taxes, tobacco taxes levied under Tobacco Tax Acts amounted to $1542.5 million or 12.8%. There was also a special tax of $10.2 million on liquor in Prince Edward Island and the Yukon (Table 2).

(7) The "tax margin" constitutes part of the difference between producers' price and purchasers' prices. While the commodity details for the "tax margin" category were available in the Input-Output Accounts, similar details for the provincial sales taxes (item iii) were not fully developed. Ibid pp. 41-42.

Table 1. Indirect Taxes, 1984

Part A. Commodity and Non-Commodity Allocation

	Commodity	Non-Commodity	Total Indirect Taxes
		$ million	
1. Federal	17768.7	355.0	18123.7
2. Provincial	17743.7	4624.1	22367.8
3. Local	42.4	14423.4	14465.8
4. Total	35554.8	19402.5	54957.3

Part B. Breakdown of Commodity Indirect Taxes

	Tax Margin	Import Duties	Other (Provincial Sales Taxes)	Total Commodity Indirect Ta
		$ million		
1. Federal	13966.7	3802.0	-	17768.
2. Provincial	5738.9	-	12004.8	17743.
3. Local	42.4	-	-	42.
4. Total	19748.0	3802.0	12004.8	35554.

Table 2. **Input-Output Allocation of Provincial Indirect Taxes, 1984**

	Commodity Tax		Non-Commodity Tax	Total
	Tax Margin	Provincial Sales Tax (Part of (I/O Commodity 596)	Non-Commodity Indirect Tax (I/O Commodity 598)	Pro-vincial Indirect Taxes
	($ million)			
1.a) Amusement Tax	145.4			145.4
b) Adjustment	-2.1	2.1		
2. Corporation Tax (not on profits)			975.6	975.6
3. Gasoline Tax	3176.0			3176.0
4. Motor Vehicle licences, fees and permits			606.5	606.5
5. Other Licenses, fees and permits	113.1		163.2	276.3
6. Miscellaneous taxes on Natural Resources			623.1	623.1
7. Real Property tax			1195.8	1195.8
8.a) Retail Sales tax		10067.6		10067.6
b) Adjustment	40.7	-40.7		
c) Tobacco tax		1542.5		1542.5
d) Special Liquor Tax		10.2		10.2
9. Profits of Liquor Commissions	1997.7			1997.7
10. Miscellaneous:				
Gallonage fees	268.1			268.1
B.C. Hotel & Room Tax	-	26.6	-	26.6
Quebec Meals & Hotel Tax	-	294.7	-	294.7
Quebec Telecommunications Tax	-	101.8	-	101.8
Other items	-	-	1059.9	1059.9
11. Total Provincial Indirect Taxes	5738.9	12004.8	4624.1	22367.8
12. Percentage distribution of (11)	25.6 %	53.7%	20.7%	100.0%

Source: National Income and Expenditure Accounts, Annual Estimates 1976-1987, Catalogue 13-201, Statistics Canada, Ottawa, Nov. 1988, Table 52, p. 58-59. Data for 1(b), 8(b), 8(c), 8(d), and 10 were obtained by content analysis and worksheet details from the Publ: Institutions Division.

Table 3. Provincial Sales Tax Control Totals by Province, 1984

Province	Total	of which: Tobacco	of which: Special Liquor tax in PEI and Yukon	Balance for the Remaining Commodities Concerned
	($ million)			
Newfoundland	372.3	41.2	0	331.1
Prince Edward Island	72.3	5.4	8.9	58.0
Nova Scotia	431.2	41.2	0	390.0
New Brunswick	390.5	47.2	0	343.3
Québec	3,342.7	441.0	0	2,901.7
Ontario	4,916.3	580.6	0	4,335.7
Manitoba	464.8	57.7	0	407.1
Saskatchewan	393.9	56.2	0	337.7
Alberta	105.8	105.8	0	0
British Columbia	1,508.9	161.4	0	1,347.5
Yukon	2.6	1.3	1.3	0
Northwest Territories	3.5	3.5	0	0
Total	12,004.8	1,542.5	10.2	10,452.1
Percentage Distribution of the Total	100.0%	12.8%	0.1%	87.1

Source: Worksheets of the Public Institutions Division, Statistics Canada. Sales taxes shown for tobacco are exclusively the taxes collected under the Tobacco Tax Acts of the provinces concerned. Similarly, the sales taxes shown for liquor in P.E.I. are levied under the Health Tax Act, while the amount shown in the Yukon relates to collections under the Liquor Tax Act.

3.2 Provincial Sales Tax Legislation

(i) General Sales Taxes

The control totals mentioned in the previous section for the balance of $10,452.1 million relate to the taxes collected under the following Acts:

Newfoundland	Retail Sales Tax Act
Prince Edward Island	Revenue Tax Act
Nova Scotia	Health Services Tax Act; and
	Theatres and Amusements Act for
	Cable Television tax only
New Brunswick	Social Services and Education Tax Act
Québec	Retail Sales Tax Act;
	Meals and Hotel Tax Act; and
	Telecommunications Tax Act
Ontario	Retail Sales Tax Act
Manitoba	Retail Sales Tax Act
	Revenue Act for Utilities tax
Saskatchewan	Education & Health Tax Act
British Columbia	Social Services Tax Actl and
	Hotel Room Tax Act

Although the provinces have different legislation, the purpose of these Acts is to collect sales taxes on commodities concerned. As mentioned, Alberta, the Yukon and Northwest Territories(8) have no general sales taxes.

(ii) Tobacco and Liquor Taxes outside General Sales Taxes

In addition to general sales taxes, the tobacco taxes of all provinces, including Alberta, and the Territories and the separate liquor tax in Prince Edward Island and the Yukon are also covered in this study. These tobacco and liquor taxes are also identifiable as sales taxes.

In essence, then, all retail sales taxes, tobacco taxes, and the special liquor taxes are combined and called "Retail Sales Taxes including tobacco and liquor" for this study (Table 3).

(iii) Consistency Adjustments

These retail sales taxes are adjusted for consistency in classification and coverage by province before they are used in the Input-Output Accounts. Adjustments relate to Québec, British Columbia, Nova Scotia, Ontario, and Manitoba.

(8) Alberta, Yukon and Northwest Territories have tobacco taxes under their Tobacco Tax Acts; in addition, Prince Edward Island and the Yukon have special liquor tax. However, there is no general sales tax.

(a) Québec

In Québec, two other Acts are applicable to this project: the Telecommunication Tax Act and the Meals and Hotel Tax Act. Tax collected under these Acts are by nature sales taxes and are included in the control total to be consistent with other provinces.

(b) British Columbia

Taxes collected on hotel accommodation under B.C. Hotel Room Tax Act are also sales taxes and are included in the control total for consistency with other provinces.

(c) Nova Scotia and Ontario

As indicated in Table 1, amusement taxes for all provinces, collected under separate legislation, are included in the tax margin category while sales taxes on cablevision are part of the Provincial sales tax category.

Nova Scotia collected sales tax on cable television services under the Theatres and Amusement Act but these taxes are included in the sales tax category for consistency with other provinces.

Similarly, the amusement taxes collected in Ontario under the Retail Sales Tax Act are removed from sales taxes and added to amusement taxes and thus appear in the tax margin category.

Table 4 **Provincial Sales Tax Rates, 1984**

	Meals	Accommodation	Alcoholic Beverages		Service Charges on Alcoholic Beverages (4)		Tobacco (5)	All other Goods & Services
Newfoundland	12%	12%		12%		12%	12%	12% (7)
Prince Edward Island	10%	10%		10%(6)		10%	10%	10%
Nova Scotia	10%	10%		10%		10%	--	10%
New Brunswick	10%	10%		10%		10%	--	10%
Québec	10%	--	General	10%(2)		10%	--	9%
			Grocery Stores	9%(2)				
Ontario	7%	5%	Bar or Restaurant	10%(3)		10%	7%	7%
			LCBOs	12%(3)				
Manitoba	6%	6%	Liquor	12%(1)	Liquor	12%	--	6%
			Imported beer	12%(1)	Imported beer	12%		
			Domestic beer	6%(1)	Domestic beer	6%		
Saskatchewan	--	5%		10%		10%	--	5%
British Columbia	7%	7% (8)		7%		7%	--	7%

(1) Imported beer is taxed at 12% (which is the same rate as liquor in Manitoba) while domestic beer is taxed at 6%.
(2) Tax rates for alcohol purchased in a grocery store is 9% in Québec and applies to beer and wine only.
(3) Tax rates for alcohol purchased from a licenced distributor (LCBO or Brewers Retail) is taxed at 12% in Ontario, while alcohol purchased from a bar or restaurant is 10%.
(4) This represents restaurant mark-up which is the difference between purchase price and selling price.
(5) This provincial retail sales tax is in addition to the tobacco tax levied under the separate provincial Acts for tobacco.
(6) Under the Health Tax Act the tax rate for alcohol purchased has a special tax of 25%. In addition, sales tax of 10% is levied under the Revenue Tax Act on the price including the health tax of 25%.
(7) Advertising is taxed at 4% while building materials are taxed at 8%. All other commodities are taxed at 12%.
(8) Effective March 1, 1984: 7%. Prior to that date: 6% for less than $50 per day, 8% for $50 or more per day.

In addition to the tobacco taxes levied under separate Acts, these provinces, namely, Newfoundland, Prince Edward Island and Ontario levy general sales taxes on tobacco. Therefore, the relevant provincial sales tax rates are shown separately for tobacco also.

Table 5. **Minimum Taxable Amounts for Provincial Sales Taxes, 1984**

	Meals	Other Goods or Services	
Newfoundland	All taxed	26¢	
Prince Edward Island	$2.00	26¢	
Nova Scotia	$4.00	51¢	
New Brunswick	$3.00	26¢	For candies and confectioneries;
		51¢	For other items.
Québec	$3.25	26¢	
Ontario	All taxed	21¢	
Manitoba	$6.00	26¢	
Saskatchewan	All exempted	26¢	
British Columbia	$7.00	15¢	

Table 6: PROVINCIAL SALES TAXES: Legislated Tax Rates and Isolation Tax Rates, 1984

Province	Legislated Tax Rates: Alcoholic Beverages; and Service Charges of Alcoholic Beverages	Legislated Tax Rates: Accommodation	Legislated Tax Rates: Meals	Legislated Tax Rates: Other Goods and Services	Isolation Tax Rates: Alcoholic Beverages; and Service Charges of Alcoholic Beverages	Isolation Tax Rates: Accommodation	Isolation Tax Rates: Meals	Isolation Tax Rates: Other Goods and Services
		(Percentage)				(Percentage)		
Newfoundland	12.0	12.0	12.0	12.0	10.7	10.7	10.7	10.7
P.E.I.	10.0*** 25.0***	10.0	10.0	10.0	9.1*** 20.0***	9.1	9.1	9.1
Nova Scotia	10.0	10.0	10.0	10.0	9.1	9.1	9.1	9.1
New Brunswick	10.0	10.0	10.0	10.0	9.1	9.1	9.1	9.1
Québec	10.0**	-	10.0	9.0	9.1**	-	9.1	8.3
Grocery Stores	9.0**				8.3**			
Ontario	10.0*	5.0	7.0	7.0	9.1*	4.8	6.5	6.5
Licensed Distributors	12.0				10.7			
Manitoba		6.0	6.0	6.0		5.7	5.7	5.7
Imported Beer & Liquor	12.0				10.7			
Domestic Beer	6.0				5.7			
Saskatchewan	10.0	5.0	-	5.0	9.1	4.8	-	4.8
B.C.	7.0	7.0	7.0	7.0	6.5	6.5	6.5	6.5
Yukon	12.0	-	-	-	10.7	-	-	-

* Ontario charges 12% legislated tax rate (10.7% isolation tax rate) for alcohol purchased in licensed distributors (i.e. LCBO, Brewers Retail).

** Québec charges 9.0% legislated tax rate (8.3% isolation tax rate) for alcohol purchased in grocery stores.

*** P.E.I. charges an additional 25% legislated tax rate (20% isolation tax rate) for alcohol purchased.

"0" and "1" is estimated and shown in the Blueprint. The procedures used in estimating values for partial taxability are available in worksheets. These procedures should be reviewed and revised, if necessary, on an annual basis. This document was called the preliminary Blueprint (R1).

3.4.2 Verification of Blueprint

The second step in the development of the tax blueprint was to verify the tax status of the commodities with various other sources described as follows.

(a) Discussions with Provincial Tax Specialists

Discussions were held with tax specialists from each province (see Appendix I for the list of officials) to review the tax status of all Input-Output commodities. This verification also reviewed the commodities used by industries and final demand categories to identify any special tax situations applicable to those users or uses. These discussions proved invaluable and adjustments were made to the preliminary blueprint. The adjusted blueprint, which was called Blueprint R2 (second stage of revision), was then sent to the provinces for further review. On receipt of the comments from the provinces, the R2 Blueprint was revised to produce the R3 Blueprint.

The document was also reviewed with information obtained from the Intergovernmental Taxation Centre of Supply and Services Canada, and Revenue Canada as mentioned in sections (b) and (c) that follow. This

review resulted in some further changes. The revised document was called R4 Blueprint which was used to derive the final calculations for this project.

(b) Intergovernmental Taxation Centre (ITC), Supply and Services Canada

The Intergovernmental Taxation Centre (ITC) of Supply and Services Canada allocates federal government expenditures by province, determines the taxability of all goods and services used by the federal government in each province and produces a Tax Calculation Report containing the taxability by province of goods and services purchased by the federal government. Although the data refer to items of federal government expenditures, the same status applies to many categories of the economy. This ITC report was compared mostly with the personal sector tax status of the Blueprint and differences were identified and resolved in discussions with the staff of the ITC.

For many expenditure categories, the ITC established taxable proportions based on the mix of taxable and non-taxable goods and services contained in items of federal government expenditures. In most cases, these proportions were of limited use for the study because they relate specifically to federal government expenditures, and this study deals with expenditures of the entire economy. Basic differences between the ITC file and the Blueprint were accounted for in the reconciliation and verification process used for these two sources. After verification, necessary changes were made to the Blueprint.

(c) Federal Sales Tax by Commodity

In the Input-Output Accounts, federal sales taxes are already allocated to commodities and sectors, namely, industries and final demand categories. Federal sales tax legislation was used as a reference by some provinces in determining whether a particular commodity was to be taxed or exempted. During discussions, some provinces expressed the desire to have the federal tax status of each commodity shown in the tax blueprint. As a result, the federal taxability of each commodity was incorporated in the Blueprint to assist the provinces in the verification process.

A copy of the Blueprint was reviewed by a tax specialist in Revenue Canada. As in the case of provinces, discussions took place with Revenue Canada officials also.

Comments received on this document from Revenue Canada and the provinces were taken into account when the final R4 Blueprint was produced.

3.4.3 Final Content of Blueprint (R4)

Thus, the outcome of the verification processes as discussed resulted in the establishment of a Federal and Provincial Sales Tax Blueprint for the Input-Output accounting framework of the Canadian economy for the year 1984. This Blueprint, which was called "R4,"

Table 7A. Total Number of Taxable Commodities for Provincial Sales Taxes, 1984

Provinces	Commodities Total Taxed	Commodities Total Exempted	Total Number of Input-Output Commodities excluding Primary Input Commodities
Newfoundland	360	235	595
Prince Edward Island	333	262	595
Nova Scotia	316	279	595
New Brunswick	340	255	595
Québec	307	288	595
Ontario	338	257	595
Manitoba	356	239	595
Saskatchewan	358	237	595
British Columbia	349	246	595

Table 7B. Total Number of Taxable Commodities for Federal Sales Taxes, 1984

	Total Taxed	Total Exempted	Total Number of Input-Output Commodties
Number of commodities	319	276	595

Although these data have no bearing on the level of tax collected, they give an idea of the taxability of the Input-Output commodities.

3.5 Expenditure by Commodity for Each Province

The previous sections contained a discussion on two variables of the tax formula mentioned before. They are:

a) Provincial sales tax rates; and
b) Taxability by commodity by province.

The third variable in the tax formula is expenditure by commodity for each province. A brief outline of the method normally used in the existing National Input-Output Accounts for allocating the provincial sales taxes is relevant.

3.5.1 Method Normally Used to Allocate Provincial Sales Taxes in the National Input-Output Accounts

The existing National Input-Output Accounts show expenditures by commodity for industries (intermediate use) and categories of final demand (final use) at the national level.(12) As mentioned, the method normally used for the National Input-Output Accounts is to allocate the provincial sales taxes to the taxable industries and final demand categories at the overall level rather than to specific commodities. The calculations are based on groups of taxable commodities by adding up the relevant taxable expenditure of each commodity by province. The procedures used to derive provincial expenditures by commodity are explained in Appendix II. Thus, while the Federal Sales taxes are allocated to commodities, the provincial sales taxes are not allocated in a similar manner in the existing National Input-Output Accounts for want of adequate data on the detailed tax status of commodities and the commodity content of the provincial sales taxes. This data gap has now been filled with the development of the tax blueprint and the results of the study.

3.5.2 Provincial Input-Output Accounts

An "ideal" data base of expenditures by commodity cross-classified by using industry and final demand categories for each province and territory would utilize survey data and would be compatible with the National Input-Output Accounts. It should also be available simultaneously with the

(12) Intermediate inputs of industries and final demand categories are explained in the publication The Input Output Structure of the Canadian Economy, 1961-81, op.cit. pp. 21-22.

National Input-Output Accounts. To obtain such an ideal database, considerable resources would be needed to establish suitable methods and the necessary infrastructure. Such a program is not now available.

In the absence of the ideal program just described, the existing Provincial Input-Output Accounts Tables are taken as a substitute. However, in contrast to the annual production of the National Input-Output Accounts which are produced every year on a regular basis, the Provincial data are produced only every five years. Moreover, they are produced several months after the National Input-Output Accounts are finalized. The time lag and the occasional nature of the production cycle constitute a drawback to incorporating this source into sales tax calculations for the Annual National Input-Output Accounts.

For this project, 1984 data from the Provincial Input-Output Accounts were available and these data were used as the third variable in the tax formula; hence, sales taxes by commodity, and by province were calculated using the expenditure data of the Provincial Input-Output Accounts for this study.

The results of these calculations were compared to the control totals by province. There were some differences and the possible reasons are discussed in the following section.

3.5.3 Some Reasons for the Differences between Control Totals and Calculated Totals

Aside from pure statistical reasons, the following are some of the other reasons for the differences between control totals and the calculated taxes.

(a) Accrual Versus Cash Bases

The control totals were based on cash collections by the provincial governments as published in the Public Accounts. A normal time-lag of about one month exists between the collections by vendors and their cash remittances to the provincial governments. This time-lag could cause some differences between the control totals and the calculated ones. For example, if the tax remittances for December 1984 sales are higher than those of December 1983, the tax remittances reflecting those higher sales of December 1984 will be normally received in January 1985 by the provincial governments. Since the control totals are on a cash basis, they do not reflect the higher sales of December 1984 (as the taxes are normally received in January 1985); but the calculated totals, which correspond to tax accruals, in this case would be higher than the control totals.

(b) **Refunds of Previous Years' Taxes**

The control totals represent net collections (gross collections offset by refunds) and, hence, refunds reduce the level of gross collections. While the calculated totals using the tax formula reflect the higher level of gross collections before the offsetting effect of refunds applicable to prior years, the control totals represent the lower level of net collections.

(c) **Additional Collections due to Tax Audits for Prior Years**

The control totals also include additional collections from tax audits for prior years' transactions. In such cases, the control totals are higher than what the expenditures would generate in a given year.

(d) **Other Reasons**

The reasons discussed account for most of the differences between control totals and the calculated totals. Other reasons include weaknesses in the databases.

For example, depending on the use, some commodities are partly exempt. The tax status in such cases has been estimated using available information or through discussions with the provincial officials. The procedures used in this regard are noted in separate worksheets for the study and they should be reviewed annually.

3.5.4 Solution Adopted

The differences between the control totals and the calculated ones were reviewed in the context of commodities with partial taxability for each province. The areas where the differences could be due to the problem relating to accrual versus cash bases were also examined. After taking into account all the available information, appropriate adjustments were made to eliminate the differences.

3.5.5 Alternative* Expenditure Database

As explained earlier, the "ideal" database is not available. Also, the database of Provincial Input-Output Accounts which is used as a substitute to the ideal one will not be available every year on a regular basis. Therefore, for the National Input-Output Accounts, an alternative expenditure database by commodity is needed for each province. The method normally used to generate such an alternative expenditure database (see Appendix II for details) by province is tested here. The formula for calculating sales taxes previously discussed was also applied to this database and sales taxes were generated by commodity and province. Since the results compared favourably to those obtained using the database of Provincial Input-Output Accounts, this alternative method of establishing an expenditure database by province proved to be suitable as the basis for estimates of provincial sales taxes by commodity hereafter. This ensures the production of yearly sales tax data by commodity and by province without relying on the Provincial Input-Output Accounts which become available only periodically every five years.

* This is an "alternative" expenditure database in the absence of an "ideal" database.

3.6 Analysis of Tax Calcuations and Adjustments

Having obtained the tax data by the applicaton of the formula to the two expenditure databases, a two-part analysis was undertaken. The first compared the tax data generated by each of the two expenditure databases. The second compared the tax data calculations from these two methods with the control totals.

3.6.1 Comparison of Results of the Two Expenditure Databases

Both databases yielded total sales taxes for Canada with an overall difference of approximately $10 million, and minor provincial differences. Thus, results from the "alternative" method also proved satisfactory to generate sales taxes by commodity for each province.

3.6.2 Comparison of Calculations of Two Methods with Control Totals

Since two expenditure databases were used to calculate sales taxes by commodity for each province, two sets of sales tax data were available for analysis. Comparing these results to the control totals revealed some insignificant differences between the control totals and the calculated totals at the national level. These differences were probably caused by a combination of factors, as explained before.

The final analysis of provincial sales taxes was based on the database developed using the provincial Input-Output Accounts.

4. Summary and Conclusions

In this special study, provincial sales taxes of 1984 were allocated by commodity and by industry and final demand categories for each province. These taxes are normally allocated to specific industries and final demand categories in the National Input-Output Accounts at the aggregate level rather than by specific commodities.

For this project, however, taxes were allocated to specific commodities. The first and also an important step was the development of a blueprint of taxability by commodity, sector and province for 1984. This blueprint should be updated annually to generate a more current database for the regular National Input-Output Accounts and for future studies.

As a by-product of this study, the new database developed will help to maintain consistency in allocating commodity taxes in the Input-Output Accounts. Before, federal sales taxes were allocated by commodity and by user, and provincial sales taxes to the taxable sectors in total instead of to specific commodities. With the results of this study, it is possible to maintain consistency for both federal and provincial sales taxes.

This study demonstrates that the Input-Output Accounts are useful in areas other than general economic analysis. These Accounts have a suitable framework which can be used to generate the tax data by commodity required for tax policies, conveniently and efficiently.

It is recommended that further research should be conducted on problem areas to improve the quality of the estimates. The assumptions for establishing taxability proportions for the commodities concerned have been recorded in the worksheets. A continuing program is needed to review those assumptions as tax laws change within provinces.

REFERENCES

1. The Input-Output Structure of the Canadian Economy, 1961-81 (Revised data), Statistics Canada, Ottawa, September 1987, Catalogue 15-510.

2. National Income and Expenditure Accounts, Annual estimates 1976-1987, Statistics Canada, Ottawa, November 1988, Catalogue 13-201, annual.

3. Maritimes Tax Reports, CCH Canadian Ltd. covering Newfoundland, Prince Edward Island, Nova Scotia, and New Brunswick.

4. Québec Tax Reports, CCH Canadian Ltd. Vols 1 and 2.

5. Ontario Tax Reports, CCH Canadian Ltd. Vols 1 and 2.

6. Manitoba and Saskatchewan Tax Reports, CCH Canadian Ltd.

7. British Columbia Tax Reports, CCH Canadian Ltd.

8. Alberta, NWT and Yukon Tax Reports, CCH Canadian Ltd.

9. Canadian Sales Tax Reports, CCH Canadian Ltd., Vols 1 and 2 for Federal Sales Taxes.

APPENDIX I: Project Personnel and Tax Specialists Consulted For The Provincial Sales Tax Commodity Allocation Project, 1984

STATISTICS CANADA:

Government Sector of Input-Output Division

P.S.K. Murty, Chief and Project Manager
P.A. Généreux, Assistant Project Manager
D. LeBlanc, Economist/Analyst
M. Greenberg, Economist/Analyst
R. Fortin, Technical Support
G. Johnston, Technical Support
P. Mutch, Technical Support
B. Séguin, Technical Support

Special Assistance:
L. David, Economist/Analyst
P. Latimer, Computer Operations

SUPPLY AND SERVICES, CANADA:

Intergovernmental Taxation Centre:	B. Bernier, Chief, Tax Compliance T. Bryant, Allocation and Tax Analyst.
REVENUE CANADA:	
Excise Branch	R. Oxley, Manager, Exempting Provisions, Tax Interpretations
PROVINCES:	
Newfoundland	R.W. Constantine, Manager Tax Information and Rulings
Prince Edward Island	H.C. Lee, Audit Supervisor
Nova Scotia	I.K. Richardson, Director, Revenue W. Wylde, Supervisor, Tax Information G. Jacobson, Revenue Officer
New Brunswick	P.E. Hawkins, Tax Audit Director
Québec	S. Bouchard, Chef du Service de l'interprétation - taxes R. Clavel, Tax Specialist L. Poulin, Tax Specialist
Ontario	P.T. Hewitt, Tax Specialist
Manitoba	S.R. Moshenko, Director Retail Sales Tax Branch
Saskatchewan	M.H. Schafer, Director Revenue Division R. Bilboe, Supervisor, Taxpayer Information
British Columbia	R.C. Sheridan, Manager Taxpayer Services

Appendix II: Alternative Database of Expenditures by Commodity for Provincial Sales Tax Calculations

The National Input-Output Accounts provide control totals of expenditures by commodity for all provinces and territories by industries and final demand categories. Also, as a part of the regular Annual Input-Output program for allocating provincial sales taxes, a database of expenditures by commodity for each province has been developed and used to calculate sales taxes for the National Input-Output Accounts. This database is called the "Alternative Database of Expenditures". The expenditures were allocated to provinces and territories based on the following sources of information.

Industry/Final Demand Category	Basic Data for Provincial Allocation for the Alternative Method
a) PE: Personal Expenditures on goods and services (Final Demand Categories PE 01 to PE 40)	Provincial Economic Accounts of the Income and Expenditure Division
b) M&E: Machinery and Equipment (Final Demand Categories M&E 41 to M&E 79)	Science, Technology and Capital Stock Division (Annual Survey data)
c) GCE: Government Current Expenditure on Goods and Services (Final Demand Categories GCE 122 to GCE 127)	Government Sector's database of the Input-Output Division

d) Construction Industries (Industries 153 to 161)	Science, Technology and Capital Stock Division (Annual Survey data)
e) All other Industries (i.e. excluding construction industries mentioned in (d) above).	Provincial Gross Domestic Product at market prices of the Income and Expenditure Division was used as a proxy for the allocation by province.

Over 80% of the provincial sales taxes relate to expenditures of items (a) to (d). The allocation of data to provinces and territories was based on survey data which were used to determine the National control totals. For item (e), however, it was assumed that inputs of commodities by province are proportionate to the provincial Gross Domestic Product at market prices. Based on this assumption, the inputs of all industries other than construction (item e) were allocated to provinces and territories. While this assumption is generally valid, it allocates commodities of the National Input-Output Accounts to all provinces. This weakness can be eliminated in future by using the Provincial Input-Output Accounts as an additional tool.

Thus, the expenditure database by commodity for all taxable industries and final demand categories was established, summarized and used to calculate provincial sales taxes for all taxable commodities rather than for each commodity separately. The advantage of this method was that the expenditure database by commodity and by province could be produced simultaneously with the National Input-Output Accounts. In fact, provincial expenditure data must be available at the same time as the National Input-Output Accounts to calculate and incorporate sales taxes soon after the National control totals are determined.

In this procedure, the use of GDP at market to allocate item (e) to provinces and territories could cause some weakness in the database. Any such weakness would involve only about 20% of taxable expenditures, making the margin of error for the overall industry level small since 80% of expenditures were allocated on a more solid data base.

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APPENDIX III: INDIRECT TAXES PUBLISHED IN THE CANADIAN SYSTEM OF NATIONAL ACCOUNTS, 1984
($ MILLIONS)

	INPUT/OUTPUT ACCOUNTS									
		COMMODITY TAXES								
			OTHER							
	I/E PUBLISHED IN TABLE 52 CAT. 13-201 TOTAL	TAX MARGINS	IMPORT DUTIES	PROV&LOC SALES TAXES	SUB-TOTAL OTHER COMM TAXES	TOTAL COMMODITY TAXES INCL IMP DUTIES	TOTAL COMMODITY TAXES EXCL IMP DUTIES	NON-COMMODITY TAXES	TOTAL INDIRECT TAXES	ROUNDED
1.FEDERAL	18124	13966.7	3802.0		3802.0	17768.7	13966.7	355.0	18123.7	18124
2.PROVINCIAL										
A.BEFORE I/O CLASSIFICATION ADJUSTMENT	22368	5738.9		12004.8	12004.8	17743.7		4624.1	22367.8	22368
B.I/O CLASSIFICATION ADJUSTMENT FOR REGULAR PUBLICATION										
1)039 NATURAL GAS		24.5		-24.5	-24.5					
2)544 TELEPHONE		535.4		-535.4	-535.4					
3)546 ELECTRICITY		318.5		-318.5	-318.5					
4)SUB-TOTAL		878.4		-878.4	-878.4					
C.PROVINCIAL ADJUSTED TOTAL FOR I/O	22368	6617.3		11126.4	11126.4	17743.7	17743.7	4624.1	22367.8	22368
3.LOCAL										
A.BEFORE I/O CLASSIFICATION ADJUSTMENT	14465	26.4		16.0	16.0			14423.4	14465.8	14465
B.I/O CLASSIFICATION ADJUSTMENT FOR REGULAR PUBLICATION										
1)039 NATURAL GAS		2.2		-2.2	-2.2					
2)546 ELECTRICITY		13.8		-13.8	-13.8					
3)SUB-TOTAL		16.0		-16.0	-16.0					
C.LOCAL ADJUSTED TOTAL FOR I/O	14465	42.4		0.0	0.0	42.4	42.4	14423.4	14465.8	14465
4.TOTAL INDIRECT TAXES	54957	20626.4	3802.0	11126.4	14928.4	35554.8	31752.8	19402.5	54957.3	54957

APPENDIX IV:PROVINCIAL INDIRECT TAXES FOR THE PROVINCIAL SALES TAX
COMMODITY ALLOCATION PROJECT, 1984
($ MILLIONS)

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	NATIONAL INCOME AND EXPENDITURES ACCOUNTS (ANNUAL PUBLICATION CATALOGUE NO.13-201, 1976-87, TABLE 52)	INPUT/OUTPUT ACCOUNTS					
		COMMODITY TAXES					
		TAX MARGINS	PROV SALES TAXES	SUB-TOTAL COMMODITY TAXES	NON-COMMODITY TAXES	TOTAL INDIRECT TAXES	ROUNDED
1.PROVINCIAL	22368	6617.3	11126.4	17743.7	4624.1	22367.8	22368
2.ADJUSTMENTS FOR THE FINANCE PROJECT							
A)039 NATURAL GAS		-24.5	24.5				
B)544 TELEPHONE		-535.4	535.4				
C)546 ELECTRICITY		-318.5	318.5				
D)SUB-TOTAL		-878.4	878.4				
3.ADJUSTED TOTAL FOR FINANCE PROJECT (1-2.D)	22368	5738.9	12004.8	17743.7	4624.1	22367.8	22368

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APPENDIX V: INDIRECT TAXES USED IN THE PROVINCIAL SALES TAX COMMODITY ALLOCATION PROJECT AND THOSE USED IN OTHER CATEGORIES OF THE INPUT/OUTPUT ACCOUNTS, 1984
($ MILLIONS)

	INPUT/OUTPUT ACCOUNTS								
		COMMODITY TAXES							
			OTHER						
	I/E PUBLISHED IN TABLE 52 CAT. 13-201 TOTAL	TAX MARGINS	IMPORT DUTIES	PROV & LOCAL SALES TAXES	SUB-TOTAL OTHER COMMODITY TAXES	TOTAL COMMODITY TAXES	NON-COMMODITY TAXES	TOTAL INDIRECT TAXES	ROUNDED
1. FEDERAL	18124	13966.7	3802.0		3802.0	17768.7	355.0	18123.7	18124
2. PROVINCIAL	22368	6617.3		11126.4	11126.4	17743.7	4624.1	22367.8	22368
ADJUSTMENTS FOR FINANCE PROJECT:									
1) 039 NATURAL GAS		-24.5		24.5					
2) 544 TELEPHONE		-535.4		535.4					
3) 546 ELECTRICITY		-318.5		318.5					
4) SUB-TOTAL		-878.4		878.4					
ADJUSTED TOTAL FOR FINANCE PROJECT		5738.9		12004.8	12004.8	17743.7	4624.1	22367.8	22368
3. LOCAL	14465	42.4		0.0	0.0	42.4	14423.4	14465.8	14465
4. TOTAL INDIRECT TAXES	54957	19748.0	3802.0	12004.8	15806.8	35554.8	19402.5	54957.3	54957

APPENDIX VI: PROVINCIAL AND LOCAL COMMODITY INDIRECT TAXES ALLOCATED AS TAX MARGINS, 1984

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	NFLD	PEI	NS	NB	QUE	ONT	MAN	SASK	ALTA	BC	YUK	NWT	CANADA
PART I: PROVINCIAL													
1. PROFITS ON LIQUOR COMMISSIONS ALLOCATED TO COMMODITIES AS MARGINS IN PROVINCIAL	35587	7682	101503	66602	330905	594883	128877	110420	297287	310462	4315	9188	1997711
2. GASOLINE TAXES ALLOCATED TO COMMODITIES AS MARGINS IN PROVINCIAL	65337	19144	121792	110149	1001096	1195796	139792	27628	6640	473944	4393	10299	3176010
3. PROVINCIAL AMUSEMENT TAXES I/O RECLASSIFIED	59	1304	3128	2461	42802	102875	4756	2275	9602	14757	0	0	184019
4. LIQUOR GALLONAGE TAX ALLOCATED TO COMMODITIES AS MARGINS	37162	0	0	0	57265	232232	0	0	0	54579	0	0	381238
5. SUB-TOTAL PROVINCIAL	138145	28130	226423	179212	1432068	2125786	273425	140323	313529	853742	8708	19487	5738978
PART II: LOCAL													
1. LOCAL AMUSEMENT TAXES	421	0	0	0	23535	0	1401	1048	0	0	0	0	26405
2. LOCAL RETAIL SALES TAXES	0	0	0	0	0	0	7671	8245	0	0	0	0	15916
3. SUB-TOTAL LOCAL	421	0	0	0	23535	0	9072	9293	0	0	0	0	42321

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APPENDIX VII:CLASSIFICATION OF 1984 INDIRECT TAXES INTO INPUT-OUTPUT CATEGORIES
(SOURCE: NATIONAL INCOME & EXPENDITURE ACCOUNTS ANNUAL ESTIMATES, 1976-1987
CAT.13-201, ANNUAL AND WORKSHEET DETAILS OF PUBLIC INSTITUTIONS DIVISION)
($ MILLIONS)

	COMMODITY TAXES							
		COMMODITY 596						
	TAX MARGINS	IMPORT DUTIES	OTHER COMMODITY TAXES	SUB-TOTAL COMMODITY TAXES	TOTAL COMMODITY TAXES	NON-COMMODITY TAXES	TOTAL INDIRECT TAXES	I/E PUBLISHED IN TABLE 52 CAT.13-201 TOTAL
A.FEDERAL								
1.FEDERAL CUSTOMS IMPORT DUTIES		3802.0		3802.0	3802.0			3802
2.EXCISE DUTIES	1423.6				1423.6		1423.6	1424
3.EXCISE TAXES								
I)SALES TAXES	7353.6				7353.6		7353.6	
II)EXCISE TAXES	844.8				844.8		844.8	
III)NATURAL GAS, LIQUID GAS TAX	68.0				68.0		68.0	
IV)GASOLINE TAXES	407.7				407.7		407.7	
V)SUB-TOTAL EXCISE TAXES	8674.1				8674.1		8674.1	8674
4.OIL EXPORT CHARGES	687.0				687.0		687.0	687
5.PETROLEUM COMPENSATION FUND LEVY	2105.0				2105.0		2105.0	2105
6.CANADIAN OWNERSHIP CHARGE	859.0				859.0		859.0	859
7.AIR TRANSPORTATION TAX	218.0				218.0		218.0	218
8.MISCELLANEOUS						355.0	355.0	355
9.TOTAL FEDERAL	13966.7	3802.0		3802.0	17768.7	355.0	18123.7	18124

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APPENDIX VII:CLASSIFICATION OF 1984 INDIRECT TAXES INTO INPUT-OUTPUT CATEGORIES
(SOURCE: NATIONAL INCOME & EXPENDITURE ACCOUNTS ANNUAL ESTIMATES, 1976-1987
CAT.13-201, ANNUAL AND WORKSHEET DETAILS OF PUBLIC INSTITUTIONS DIVISION)
($ MILLIONS)

	COMMODITY TAXES							
		COMMODITY 596						
	TAX MARGINS	IMPORT DUTIES	OTHER COMMODITY TAXES	SUB-TOTAL COMMODITY TAXES	TOTAL COMMODITY TAXES	NON-COMMODITY TAXES	TOTAL INDIRECT TAXES	I/E PUBLISHED IN TABLE 52 CAT.13-201 TOTAL
B.PROVINCIAL								
1.AMUSEMENT TAX	145.4				145.4		145.4	145
2.CORPORATION TAX (NOT ON PROFITS)						975.6	975.6	976
3.GASOLINE TAX	3176.0				3176.0		3176.0	3176
4.MOTOR VEHICLE LICENSES & PERMITS						606.5	606.5	607
5.MISCELLANEOUS TAXES ON NATURAL RESOURCES						623.1	623.1	623
6.REAL PROPERTY TAX						1195.8	1195.8	1196
7.RETAIL SALES TAX								
A)TOBACCO TAX			1542.5	1542.5	1542.5		1542.5	
B)LIQUOR TAXES			10.2	10.2	10.2		10.2	
C)OTHER RETAIL SALES TAXES			10067.6	10067.6	10067.6		10067.6	
D)SUB-TOTAL			11620.3	11620.3	11620.3		11620.3	
8.I/O RECLASSIFICATION	38.6		-38.6	-38.6	0.0	0.0	0.0	
9.SUB-TOTAL (7 + 8)	38.6		11581.7	11581.7	11620.3	0.0	11620.3	11620
10.PROFITS OF LIQUOR COMMISSIONS	1997.7				1997.7		1997.7	1998
11.OTH LICENSES, FEES & PERMITS								
A)NAT RES PERMITS						22.2	22.2	
B)LIQ LICENSES						59.9	59.9	
C)LIQ GALLONAGE FEES	113.1				113.1		113.1	
D)QUEBEC ELEC INSTALLATION FEES						7.1	7.1	
E)QUEBEC PUBLICITE						6.2	6.2	
F)COMPANY ACT						24.1	24.1	
G)RESIDUAL OF OTH LICENSES & FEES						43.7	43.7	
H)SUB-TOTAL	113.1				113.1	163.2	276.3	276

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APPENDIX VII:CLASSIFICATION OF 1984 INDIRECT TAXES INTO INPUT-OUTPUT CATEGORIES
(SOURCE: NATIONAL INCOME & EXPENDITURE ACCOUNTS ANNUAL ESTIMATES, 1976-1987
CAT.13-201, ANNUAL AND WORKSHEET DETAILS OF PUBLIC INSTITUTIONS DIVISION)
($ MILLIONS)

		COMMODITY TAXES						
		COMMODITY 596						
	TAX MARGINS	IMPORT DUTIES	OTHER COMMODITY TAXES	SUB-TOTAL COMMODITY TAXES	TOTAL COMMODITY TAXES	NON-COMMODITY TAXES	TOTAL INDIRECT TAXES	I/E PUBLISHED IN TABLE 52 CAT.13-201 TOTAL
C.LOCAL								
1.AMUSEMENT TAX	26.4				26.4		26.4	26
2.LICENSES, FEES & PERMITS						166.4	166.4	166
3.REAL & PERSONAL PROPERTY TAX						12651.7	12651.7	12652
4.RETAIL SALES TAX			16.0	16.0	16.0		16.0	16
5.MISCELLANEOUS			0.0	0.0	0.0	1605.3	1605.3	1605
6.TOTAL LOCAL	26.4		16.0	16.0	42.4	14423.4	14465.8	14465

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APPENDIX VII:CLASSIFICATION OF 1984 INDIRECT TAXES INTO INPUT-OUTPUT CATEGORIES
(SOURCE: NATIONAL INCOME & EXPENDITURE ACCOUNTS ANNUAL ESTIMATES, 1976-1987
CAT.13-201, ANNUAL AND WORKSHEET DETAILS OF PUBLIC INSTITUTIONS DIVISION)
($ MILLIONS)

	COMMODITY TAXES							
		COMMODITY 596						I/E PUBLISHED IN TABLE 52 CAT.13-201 TOTAL
	TAX MARGINS	IMPORT DUTIES	OTHER COMMODITY TAXES	SUB-TOTAL COMMODITY TAXES	TOTAL COMMODITY TAXES	NON-COMMODITY TAXES	TOTAL INDIRECT TAXES	
D.SUMMARY								
1)FEDERAL	13966.7	3802.0	0.0	3802.0	17768.7	355.0	18123.7	18124
2)PROVINCIAL	5738.9	0.0	12004.8	12004.8	17743.7	4624.1	22367.8	22368
3)LOCAL	26.4	0.0	16.0	16.0	42.4	14423.4	14465.8	14465
4)TOTAL	19732.0	3802.0	12020.8	15822.8	35554.8	19402.5	54957.3	54957
E.ADJUSTMENT FOR I/O TREATMENT OF PROVINCIAL & LOCAL SALES TAXES FOR COMMODITIES 039 NATURAL GAS, 544 TELEPHONE & 546 ELECTRICITY								
1)PROVINCIAL SECTOR (B.13 ABOVE)	5738.9		12004.8	12004.8	17743.7	4624.1	22367.8	22368
A)039 NATURAL GAS	24.5		-24.5	-24.5	0.0			
B)544 TELEPHONE	535.4		-535.4	-535.4	0.0			
C)546 ELECTRICITY	318.5		-318.5	-318.5	0.0			
D)SUB-TOTAL	878.4		-878.4	-878.4	0.0			
E)PROVINCIAL ADJUSTED TOTAL	6617.3		11126.4	11126.4	17743.7	4624.1	22367.8	22368
2)LOCAL SECTOR (C.7 ABOVE)	26.4		16.0	16.0	42.4	14423.4	14465.8	14465
A)039 NATURAL GAS	2.2		-2.2	-2.2	0.0			
B)546 ELECTRICITY	13.8		-13.8	-13.8	0.0			
C)SUB-TOTAL	16.0		-16.0	-16.0	0.0			
D)LOCAL ADJUSTED TOTAL	42.4		0.0	0.0	42.4	14423.4	14465.8	14465
F.SUMMARY OF PUBLISHED TAXES FOR INPUT/OUTPUT ACCOUNTS								
1)FEDERAL	13966.7	3802.0	0.0	3802.0	17768.7	355.0	18123.7	18124
2)PROVINCIAL	6617.3		11126.4	11126.4	17743.7	4624.1	22367.8	22368
3)LOCAL	42.4		0.0	0.0	42.4	14423.4	14465.8	14465
4)TOTAL PUBLISHED IN THE INPUT/OUTPUT ACCOUNTS	20626.4	3802.0	11126.4	14928.4	35554.8	19402.5	54957.3	54957

G.COMMODITY TAXES IN:

TAX MARGIN	20626.4
IMPORT DUTY	3802.0
PROVINCIAL SALES TAXES	11126.4
NON-COMMODITY TAXES	19402.5
TOTAL	54957.3

APPENDIX VIII:CONTROL TOTAL CALCULATION FOR PROVINCAIL SALES TAX PROJECT, 1984

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	NFLD	PEI	NS	NB	QUE	ONT	MAN	SASK	ALTA	BC	YUK	NWT	TOTAL
1.CALENDAR YEAR BASIC DATA													
A)PROVINCIAL (INCL ONTARIO AMUSEMENT TAX)	331083	60015	364858	343339	2520164	4397371	392127	337675	0	1320922	0	0	10067554
B)TOBACCO	41223	5372	41188	47157	440980	580598	57695	56229	105802	161411	1304	3537	1542496
C)SPECIAL LIQUOR TAX IN P.E.I. & YUKON	0	8864	0	0	0	0	0	0	0	0	1344	0	10208
SUB-TOTAL	372306	74251	406046	390496	2961144	4977969	449822	393904	105802	1482333	2648	3537	11620258
2.NEW ITEMS TRANSFERRED FROM PROVINCIAL MISCELLANEOUS CATEGORY													
A)QUE MEALS & HOTEL TAX	0	0	0	0	294743	0	0	0	0	0	0	0	294743
B)QUE TELECOM TAX (1)	0	0	0	0	101839	0	0	0	0	0	0	0	101839
C)BC HOTEL & MOTEL ROOM TAX	0	0	0	0	0	0	0	0	0	26555	0	0	26555
D)OTHER ADJUSTMENTS	0	-2000	25129	0	-15000	-61729	15000	0	0	0	0	0	-38600
SUB-TOTAL	0	-2000	25129	0	381582	-61729	15000	0	0	26555	0	0	384537
3.CONTROL TOTAL - PROVINCIAL RETAIL SALES TAXES	372306	72251	431175	390496	3342726	4916240	464822	393904	105802	1508888	2648	3537	12004795

(1) QUEBEC TELECOMMUNICATIONS TAX INCLUDES TAX ON CABLE, LONG DISTANCE AND OTHER COMMUNICATIONS (COMPUTER LINES, TELEGRAPH LINES); NOTE THAT THE TAX ON LOCAL TELEPHONE IS PART OF RETAIL SALES TAX

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