

Taxes on Mining Operations

All provinces except Prince Edward Island levy taxes of various kinds on mining operations. All provinces except Prince Edward Island and Alberta impose a tax on the income of firms engaged in mining operations in general or in specific kinds of mining operations. British Columbia, Alberta, Saskatchewan and Manitoba impose a tax on the assessed value of minerals or a flat rate an acre of mining property. Manitoba imposes rates of from 6 per cent to 11 per cent on mining royalties. The British Columbia mining tax rate is 15 per cent on net income from mining in excess of \$10,000.

Tax on Logging Operations

British Columbia, Ontario and Quebec levy a tax on the income from logging operations of individuals, partnerships, associations or corporations engaged in this activity. In Quebec and Ontario the rate is 10 per cent and in British Columbia 15 per cent on net income where in excess of \$10,000 (in Quebec and British Columbia if the net income is greater than \$10,000 the whole amount is taxable with no basic exemption). In Ontario and Quebec one-third and in British Columbia 20 per cent of the tax is allowed as a deduction from provincial corporate income tax or, in Quebec, from the provincial income tax; two-thirds of the provincial tax is deductible from federal income tax.

Capital Taxes

Quebec imposes a tax of one-fifth of 1 per cent on paid-up capital of corporations, while Ontario levies a similar tax at the rate of one-twentieth of 1 per cent.

Place-of-Business Taxes

Quebec and Ontario have a place-of-business tax. In Quebec, the tax is generally \$50 but is reduced to \$25 when the paid-up capital is less than \$25,000; in the case of loan companies, the tax is \$100 when capital paid up is \$100,000 or more. In Ontario, the tax for each permanent establishment is the lesser of \$50 or one-twentieth of 1 per cent of the paid-up capital of the corporation involved, but the total of the capital tax and the place-of-business tax cannot be less than \$20. Ontario also imposes an office tax of \$50 on every corporation that does not maintain a permanent establishment in the province but merely maintains a buying office, or merely holds certain provincial licences, or merely holds assets. A corporation that does not maintain a permanent establishment in Ontario but is represented by a resident employee or agent who is not deemed to operate a permanent establishment of the corporation in the province must pay an office tax of \$50 or one-tenth of 1 per cent of the total amount of its gross Ontario sales or revenue if less than \$50,000, subject to a minimum office tax of \$5.

Both provinces levy special taxes on certain kinds of company such as banks, railway companies, express companies, trust companies and sleeping-car, parlor-car and dining-car companies. In Ontario, these special taxes (except the tax payable by insurance corporations calculated on gross premiums) and the capital and place-of-business taxes are payable only to the extent that they exceed the corporate income tax otherwise payable.