

<u>Province</u>	<u>Percentage of full federal liability</u>
Newfoundland	17 %
Prince Edward Island	17 "
Nova Scotia	17 "
New Brunswick	17 "
Quebec	approximately 18 "
Ontario	17 "
Manitoba	23 "
Saskatchewan	23 "
Alberta	17 "
British Columbia	17 "

Corporate Income Tax

All provinces levy a tax on the profits of corporations derived from activities carried out within their boundaries. In all provinces except Ontario and Quebec, the provincial tax is imposed on taxable income in the province determined on the same basis as for federal income tax. In Ontario and Quebec the determination of taxable profits for purposes of provincial tax follows closely the federal rules. The rates of tax levied by the various provinces are as follows:

<u>Province</u>	<u>Rate of tax on taxable profits</u>
Newfoundland	9 %
Prince Edward Island	9 "
Nova Scotia	9 "
New Brunswick	9 "
Quebec	12 "
Ontario	11 "
Manitoba	10 "
Saskatchewan	10 "
Alberta	9 "
British Columbia	9 "

Note: All provinces except Ontario and Quebec have signed agreements for the collection of their income taxes by the Federal Government. Four of the ten provinces levy corporate income taxes at rates in excess of the abatement allowed by the Federal Government. This abatement is equal to 9 per cent of corporate profits, except in Quebec where the abatement is 10 per cent.

Alcoholic Beverages

Generally speaking, the sale of spirits in all provinces is made through provincial agencies operating as boards or commissions, which exercise monopolistic control over this commodity. The provincial mark-up over the manufacturers' price is the effective means of taxation. Beer and wine may be sold by retailers of government stores, depending on the province, but in all cases they contribute to provincial revenues.

Retail Sales Taxes

Retail sales taxes are levied on the final purchaser or user and are collected by the retailer. Eight provinces now levy this type of tax at rates varying between 3 and 5 per cent. These are Newfoundland, Prince Edward Island, Nova Scotia, New Brunswick, Quebec, Ontario, Saskatchewan and British Columbia. In Quebec, the general rate is 4 per cent, but the province allows its municipalities to levy an additional 2 per cent for municipal purposes.