

valuation day, actual cost is used as a basis for determining adjusted cost-base.

Once he has computed his income, the taxpayer takes into account other deductible amounts, such as personal exemptions and special allowances. The most important of these are as follows:

single status	\$1,600
married status	3,000
dependant children under age 16	300 a child
other dependants, including students, children over 15 and under 21, parents or grandparents	550
taxpayers over 65 years of age	1,000
taxpayers blind or confined to a bed or wheelchair	1,000
charitable donations	up to 20% of income
medical expenses	the amount in excess of 3% of income

*N.B.: Taxpayers over 65 years of age, blind persons and persons confined to a bed or wheelchair may make a deduction of \$1,000 in addition to the single or married exemptions. The additional deduction of \$1,400 for married status is reduced where the taxpayer's spouse earns in excess of \$300. The deduction of \$300 for supporting a child under 15 is also reduced where the child's income exceeds \$1,100 and the deduction of \$550 for other dependants is reduced where such dependants have income in excess of \$1,150. All deductions for dependant persons end when their income exceeds \$1,700 in the year.*

Instead of claiming itemized charitable donations and medical expenses, the taxpayer may claim a \$100 standard deduction.

The amount of guaranteed income supplement paid to pensioners with little or no income aside from the basic old-age pension is not included in computing income, but is taken into account in determining the degree of dependency for tax purposes.

Business losses incurred during the year may be written off against income in other years.