

PUBLISHED EVERY FRIDAY
BY

The Monetary Times
Printing Company
of Canada, Limited

Publishers also of
"The Canadian Engineer"

Monetary Times

Trade Review and Insurance Chronicle
of Canada

Established 1867

Old as Confederation

JAS. J. SALMOND
President and General Manager

A. E. JENNINGS
Assistant General Manager

JOSEPH BLACK
Secretary

W. A. McKAGUE
Editor

Nova Scotia Income Tax Act

Provides for Tax on Income of Corporations and Individuals — Both
Normal Taxes and Supertaxes — Deductions and Exemptions

AT the last session of the Nova Scotia legislature an Act was passed to authorize the levying of an income tax, to go into force by proclamation of the Lieutenant-Governor. It provides for an income tax on both individuals and corporations, a supertax and a surtax. The sections defining these taxes are as follows:—

"3. (1) For the purposes of this Act, 'income' means the annual net profit or gain or gratuity, whether ascertained and capable of computation as being wages, salary, or other fixed amount, or unascertained as being fees or emoluments, or as being profits from a trade or commercial or financial or other business or calling, directly or indirectly received by a person from any office or employment, or from any profession or calling, or from any trade, manufacture or business, as the case may be; and shall include the interest, dividends or profits directly or indirectly received from money at interest upon any security or without security, or from stocks, or from any other investment, and, whether such gains or profits are divided or distributed or not, and also the annual profit or gain from any other source; including the income from but not the value of property acquired by gift, bequest, devise or descent; and including the income from but not the proceeds of life insurance policies paid upon the death of the person insured, or payments made or credited to the insured on life insurance endowment or annuity contracts upon the maturity of the term mentioned in the contract or upon the surrender of the contract; with the following exemptions and deductions:—

"(a) Such reasonable allowance as may be allowed by the treasurer for depreciation, or for any expenditure of a capital nature for renewals, or for the development of a business, and the treasurer when determining the income derived from mining and from oil and gas wells, shall make an allowance for the exhaustion of the mines and wells;

"(b) two hundred dollars for each child under sixteen years of age who is dependent upon the taxpayer for support;

"(c) amounts paid by the taxpayer during the year to the Patriotic and Canadian Red Cross funds, and other patriotic and war funds approved by the treasurer;

"(d) for the purposes of the normal tax the income embraced in a personal return shall be credited with the amount received as dividends upon the stock of any company or other person which is taxable under this Act;

"(e) for the purposes of the tax the income embraced in a personal return shall be credited with the amount received as interest upon bonds, debentures or stock of Nova Scotia issued exempt from provincial taxes, and in the cases of the Lieutenant-Governor, the Judges of the Supreme Court and the Judges of the County Court with the amounts received by them as salary of their offices respectively.

"Provided, however, that in determining the income the personal and living expenses shall not be taken into consideration.

"(2) Where an incorporated company conducts its business, whether under agreement or otherwise in such manner as either directly or indirectly to benefit its shareholders or any of them, or any persons directly or indirectly inter-

ested in such company, by selling its product or the goods and commodities in which it deals at less than the fair price which might be obtained therefor, the treasurer may, for the purposes of this Act, determine the amount which shall be deemed to be the income of such company for the year, and in determining such amount the treasurer shall have regard to the fair price which, but for any agreement, arrangement or understanding, might be or could have been obtained for such product, goods and commodities.

"(3) In the case of the income of persons residing or having their head office or principal place of business outside of Nova Scotia, but carrying on business in Nova Scotia, either directly or through or in the name of any other person, the income shall be the net profit or gain arising from the business of such person in Nova Scotia.

"(4) For the purpose of the supertax only, the income of a taxpayer shall include the share to which he would be entitled of the undivided or undistributed gains and profits made by any syndicate, trust, association, corporation or other body, or any partnership, if such gains and profits were divided or distributed, unless the treasurer is of opinion that the accumulation of such undivided and undistributed gains and profits is not made for the purpose of evading the tax, and is not in excess of what is reasonably required for the purposes of the business.

Amount of the Taxes

"4. (1) There shall be assessed, and levied on and paid by every person residing or ordinarily resident in Nova Scotia or employed in Nova Scotia or carrying on any business in Nova Scotia, the following taxes:—

"(a) A tax the amount of which is one-half of one per centum of all income during the preceding year, exceeding one thousand dollars but not exceeding fifteen hundred dollars in the case of unmarried persons and widows or widowers without dependent children, and exceeding two thousand dollars but not exceeding three thousand dollars, in the case of all other persons; one per centum of all income exceeding fifteen hundred dollars in the case of unmarried persons and widows or widowers without dependent children, and exceeding three thousand dollars in the case of all other persons."

In addition there is a supertax according to the following scale:—

$\frac{1}{2}\%$	on income from \$	6,000 to \$	10,000
$1\frac{1}{4}\%$	"	10,000 to	20,000
2%	"	20,000 to	30,000
$2\frac{1}{2}\%$	"	30,000 to	50,000
$3\frac{1}{2}\%$	"	50,000 to	75,000
5%	"	75,000 to	100,000
$6\frac{1}{4}\%$	"	100,000 to	200,000
$7\frac{1}{2}\%$	"	200,000 to	400,000
$8\frac{3}{4}\%$	"	400,000 to	600,000
10%	"	600,000 to	800,000
$11\frac{1}{4}\%$	"	800,000 to	1,000,000
$12\frac{1}{2}\%$	"	over	1,000,000

Also the following surtax: "(a) Where the income was in excess of six thousand dollars but did not exceed ten