

TABLE A (Cont'd.)

Canadian Personal Income Tax in 1966

	<u>Income</u>	<u>Income Tax</u>	<u>O.A.S. Tax</u>
Married taxpayer - no dependants	2,200	9	4
	2,500	37	16
	3,000	83	36
	5,000	375	116
	10,000	1,470	120
	20,000	5,148	120
	50,000	20,163	120
	100,000	49,953	120
Married taxpayer - two children eligible for family allowances	2,800	9	4
	3,000	28	12
	5,000	277	92
	10,000	1,320	120
	20,000	4,889	120
	50,000	19,833	120
	100,000	49,563	120

In calculating these taxes it has been assumed that all taxpayers take the standard deduction of \$100. No allowance has been made for the 20 percent dividend tax credit.

The income taxes shown above are the combined federal and provincial taxes in all provinces where the provincial tax is the same as the federal abatement (i.e. in all provinces except Quebec, Manitoba and Saskatchewan). In Quebec the provincial tax approximates the federal abatement. In Manitoba and Saskatchewan the provincial tax exceeds the abatement by 5 percentage points.

Corporation Income Tax

The Income Tax Act levies a tax upon the income from everywhere in the world of corporations resident in Canada and upon the income attributable to operations in Canada of non-resident corporations carrying on business in Canada.

In computing their income, corporations may deduct operating expenses including municipal real estate taxes, reserves for doubtful debts, bad debts, and interest on borrowed money. They may not deduct provincial income taxes other than provincial taxes on income derived from mining operations. (For this purpose "income from mining operations" is specially defined.)