

THE INCOME TAX AND THE INDIVIDUAL

"Dividends."
"Income"

(1) "Dividends" shall include stock dividends.

*Excepted
income*

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, whether derived from sources within Canada or elsewhere, 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, and including the salaries, indemnities or other remuneration of members of the Senate and House of Commons of Canada and officers thereof, members of Provincial Legislative Councils and Assemblies and Municipal Councils, Commissions or Boards of Management, any Judge of any Dominion or Provincial Court appointed after the passing of this Act, and of all persons whatsoever whether the said salaries, indemnities or other remuneration are paid out of the revenues of His Majesty in respect of His Government of Canada, or of any province thereof, or by any person, except as provided in section five of this Act, with the following exemptions and deductions:—

*Allowance
for depreciation
and
for exhaustion
of
mines, gas
and oil
wells, and
timber
limits*

*Exemption
in respect
of children*

*Dividends
from
corporations
liable
to tax*

- (a) such reasonable amount as the Minister, in his discretion, may allow for depreciation, and the Minister in determining the income derived from mining and from oil and gas wells and timber limits shall make such an allowance for the exhaustion of the mines, wells and timber limits as he may deem just and fair;
- (b) for the purposes of the normal tax only, two hundred dollars for each child under eighteen years of age who is dependent upon the taxpayer for support;
- (c) [paragraph (c) is repealed]
- (d) dividends received by or credited to shareholders of a corporation which is liable to taxation under the provisions of this Act shall not be liable to the normal tax in the hands of the shareholders, but shall be liable to the supertax and surtax provisions of this Act or any amendment thereto. The amount of the exemption