

The 1966 Budget announced that machinery and equipment used directly in the manufacture or production of goods would be relieved of tax over a two-year period. Effective March 30, 1966, full exemption is extended to dies, moulds, jigs, fixtures and the cutting or shaping parts of machines. On April 1, 1967, a comprehensive list of other production machinery and equipment will become subject to a reduced rate of 6 per cent and on April 1, 1968, the same goods will be granted full exemption from the levy.

The Excise Tax Act also provides for a number of special excise taxes which are in addition to the sales tax. Where these are ad valorem taxes they are levied on exactly the same price or duty-paid value as the general sales tax.

The special excise taxes levied at present are as follows:

Cigarettes	2½¢ on 5 cigs.
Cigars	15% <u>ad valorem</u>
Jewellery, including clocks, watches, articles of ivory, amber, shell, precious or semi-precious stones, goldsmiths' and silversmiths' products, except gold-plated or silver-plated ware for the preparation or serving of food or drink	10% <u>ad valorem</u>
Lighters	10¢ a lighter
Playing cards	20¢ a pack
Radios	the greater of \$2 a radio or 15% <u>ad valorem</u>
Phonographs and television sets	15% <u>ad valorem</u>
Tubes for radios, phonographs and television sets, not including television picture tubes, priced under \$5 a tube	10¢ a tube
Television set picture tubes	15% <u>ad valorem</u>
Slot machines - coin, disc or token-operated games or amusement devices	10% <u>ad valorem</u>
Matches	10% <u>ad valorem</u>
Tobacco - pipe tobacco, cut tobacco and snuff	80¢ a lb.
Tobacco pipes, cigar and cigarette holders and cigarette-rolling devices	10% <u>ad valorem</u>