

Synopsis of New Dominion Income Tax

In view of the necessity to make a return of income for past year before the end of February, we present a synopsis of the Act as printed in the Credit Men's Journal.

The following is a synopsis of the Act passed at the last session of the Federal House:

"Income" means the annual 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 professional 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, the share of any gains or profits made by any syndicate, trust, association, corporation or other body, or any partnership, to which a taxpayer would be entitled if such profits or gain were divided or distributed, and also profit or gain from any other source; with the following exemptions and deductions:—

Exemptions and Deductions.

- (a) the value of property acquired by gift, bequest, devise or descent;
- (b) 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;
- (c) such reasonable allowance as may be allowed by the Minister for depreciation, or for any expenditure of a capital nature for renewals, or for the development of a business, and the Minister, 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;
- (d) the amount of income the tax upon which has been paid or withheld for payment at the source of the income under the provisions of this Act;
- (e) amounts subscribed and paid by the taxpayer during the year to the Patriotic and Canadian Red Cross Funds and other patriotic and war funds approved by the Minister;
- (f) 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 or from the net earnings of any company or other person which is taxable upon its income under this Act.

Rate of Taxation.

The incomes of unmarried men and widowers without dependent children are exempt up to \$1,500.

The salaries of married men are exempt up to \$3,000.

Over these figures the rates are as follows:

Up to \$6,000, 4 per cent.; or in the case of unmarried men a total of \$180.

Over \$6,000 and up to \$10,000, 6 per cent.; or in the case of unmarried men a total of \$420.

Over \$10,000 and up to \$20,000, 9 per cent.; or in the case of unmarried men a total of \$1,320.

Over \$20,000 and up to \$30,000, 12 per cent.; or in the case of unmarried men a total of \$2,520.

Over \$30,000 and up to \$50,000, 14 per cent.; or in the case of unmarried men a total of \$5,320.

Over \$50,000 and up to \$100,000, 19 per cent.; or in the case of unmarried men a total of \$14,820.

Above \$100,000, an extra 25 per cent.

Taxation Period.

The first collection period of the tax is based upon the income for the year ending 31st December, 1917.

Returns.

Every person liable to taxation shall on or before the 28th day of February in each year—WITHOUT ANY NOTICE OR DEMAND—deliver to the Minister of Finance a Return showing his total income during the last proceeding calendar year.

All employers shall make a Return of all persons in their employ liable to taxation.

Penalties for Default.

Default in complying with the provisions of the Act renders the defaulter liable to a penalty of \$100 for each day.

A false statement renders the falsifier liable to a penalty of \$10,000 or six months' imprisonment, or both.

Payment of Tax.

Payment of the tax shall be made one month after assessment notice is mailed by the Minister, which notice it is expected will be sent out on or before the 30th day of April of each year.

AN AID TO UNIFORMITY OF PROVINCIAL LEGISLATION.

The splendid work which the Canadian Credit Men's Association and the Canadian Bar Association in their efforts to bring about uniformity of provincial law throughout Canada, is slowly bearing fruit. As an aid in this direction the credit men propose the following draft bill providing for the appointment of commissioners by the respective provincial governments with the above object in view:

WHEREAS to facilitate the carrying on of business in Canada it is desirable that there should be uniformity of Provincial Legislation on subjects relating thereto:

THEREFORE His Majesty, by and with the advice and consent of the Legislative Assembly of the Province ofenacts as follows.

1. The Lieutenant-Governor-in-Council shall from time to time appoint three suitable members of the Bar of the Province of who with their successors are constituted a Board of Commissioners for the Promotion of Uniformity of Legislation in Canada, and who shall hold office for a term of three years from the date of appointment or until their successors shall be respectively appointed. Any vacancies in said Board caused by resignation, death, removal from the Province or otherwise shall be filled for the remainder of the said term by the Lieutenant-Governor-in-Council appointing others having the qualifications aforesaid.

2. It shall be the duty of the Board to examine the following subjects: Incorporation of Companies; insurance; assignments for the benefit of creditors and the discharge of debtors; frauds on creditors; extra-provincial judgments and their enforcement; partnership; sales and transfer; mortgage and pledge of property, real and personal; the execution and probate of wills; and other subjects upon which uniformity is desirable; to meet annually in conference with the Commissioners appointed for the same purpose by any other province and with the Canadian Bar Association where expedient, concerning the matters above mentioned, and concerning the drafting of uniform laws to be submitted for approval and adoption by the Legislatures of the several Provinces, and to join with said other Commissioners, and where expedient with said Association, in such measures as may be deemed most expedient to advance the purposes hereinbefore mentioned.

3. The said Board of Commissioners shall keep a record of all its transactions and shall make a report thereon with recommendations to the Lieutenant-Governor-in-Council for submission to the Legislature at each session thereof.