

<u>Province</u>	<u>Rate of tax on taxable profits</u>
Newfoundland	13 %
Prince Edward Island	10 %
Nova Scotia	10 %
New Brunswick	10 %
Quebec	12 %
Ontario	12 %
Manitoba	11 %
Saskatchewan	11 %
Alberta	11 %
British Columbia	10 %

NOTE: All provinces except Ontario and Quebec have signed agreements for the collection of their corporate income taxes by the Federal Government.

Alcoholic Beverages

Generally speaking, the sale of spirits in all provinces is made through provincial agencies operating as boards or commissions which exercise monopolistic control over alcoholic beverages. The provincial mark-up over the manufacturers' price is the effective means of taxation. Beer and wine may be sold by retailers or government stores depending on the province, but in all cases these sales contribute to provincial revenues. Prince Edward Island and Ontario impose a tax of 10 per cent on all beer, wine and spirits sold at retail.

Tobacco Products

Newfoundland imposes a tax on tobacco sold at retail of one half of one cent a cigarette; from two to ten cents a cigar, depending on price; and two cents a half ounce or less of other tobacco. Prince Edward Island's tax on tobacco sold at retail, is two-fifths of a cent a cigarette purchased; from one to seven cents on cigars purchased at retail for from four cents to 45 cents; 25 per cent of the retail price of each cigar purchased for more than 45 cents; and 20 per cent of the retail price of all other tobacco purchased. Saskatchewan's tax on retail tobacco sales is eight-twenty fifths a cent a cigarette purchased; from one to ten cents a cigar, depending on price; and two cents on every half ounce of other tobacco; the average rate of the tobacco tax is 15 per cent. Specific sales taxes on tobacco products are also levied in New Brunswick, Quebec, Manitoba and Ontario.

Retail Sales Taxes

All provinces except Alberta impose sales taxes on goods purchased by consumers or users. Some of these provincial levies also cover certain services. The provincial sales taxes are collected by retail vendors acting as agents of the provinces. The provinces imposing sales tax and the rates of their levies are as follows: