

APPENDIX «A»

Summary of the surtax proposal

- * The surtax is imposed only on taxpayers with taxable incomes in excess of \$30,000.
- * It affects only federal taxes; provincial taxes are not changed.
- * The surtax is for the taxation year 1976. It is estimated to apply to 170,000 taxpayers and yield \$115 million.
- * The surtax is calculated as 10 per cent of federal tax payable over and above a «surtax threshold,» that is, above \$8,000, which is approximately the federal tax payable on taxable income of \$30,000.

Surtax calculation

Married taxpayer with two children under 16

Earnings of \$45,000

Earnings	\$45,000
Taxable income	40,320
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Federal tax before surtax	11,957
Less «surtax threshold»	8,000
Amount subject to surtax	\$3,957
Surtax (10%)	\$396

To ensure that surtax liabilities of Quebec residents are the same as those of the residents of other provinces, the surtax will be computed without reference to the 24-per-cent abatement for Quebec.