

Alberta to Increase Taxes on Banks, Loan and Insurance Companies

(Special Correspondence, Journal of Commerce.)

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Proposed amendments to the Corporation Taxation Act of Alberta, will, when enacted by the provincial legislation now sitting at the parliament buildings in Edmonton, afford more protection to the smaller corporations and increase taxes of banks, insurance companies and other corporations in the province to equalize with those in British Columbia, Manitoba and Saskatchewan. Clearer distinction is made in the bill between loan and land companies.

The proposed amendment taxes every head office of a bank in Alberta \$1,000 and each branch \$125. Under the present act the head office paid \$400 and \$250 on branches, not exceeding four in number, and more than four and up to 10, \$100 each. There are 19 banks operating in Alberta, having a total of 216 branches in the province, and the revenue received from this source this year amounted to \$23,100. Under the proposed amendment the revenue will amount to \$50,125, an increased revenue of \$27,025.

Under the present act, insurance companies are required to pay, where the premiums of insurance are less than \$20,000, one-half of one per cent. on moneys invested in the province, amounting to \$100,000 or more. The proposed amendment requires all insurance companies to pay a tax of one-fourth of one per cent. on the gross income, where companies have invested in the province more than \$50,000, irrespective of the amount of premium received. The total income of insurance companies in Alberta for the year ending December 31, 1912, amounted to \$626,955, and the tax received from this source will amount to \$1,567.40. The new legislation is the same as in Manitoba and Saskatchewan. In British Columbia the tax is one per cent. of the gross income.

Loan companies, under the new amendment, will pay a tax of one per cent., on the gross income, together with a minimum tax of \$25 when the paid-up capital of the company is less than \$50,000, and \$50 when the paid-up capital of the company is \$50,000 or more, but less than \$100,000; and \$100 when the paid-up capital is \$100,000 or more. The present tax is \$50 for companies having a paid-up capital of \$100,000 or less, and where the paid-up capital is over \$100,000, the tax is \$100. It is the same as prevails in British Columbia. By the new amendment the revenue will be increased.

Under the proposed amendment land companies will pay 40 cents for every \$1,000 invested in the province, including money invested in the purchase or acquisition of lands or other real or personal property, and on money remaining unpaid at the end of the preceding calendar year on any sales of such land, together with a minimum tax of \$25 the paid up capital of the company is less than \$50,000; \$50 when the paid-up capital of the company is \$50,000 or more but less than \$100,000 and \$100 when the paid-up capital is \$100,000 or more. The present act provides for a tax of \$50 where the unpaid purchase price of lands sold is \$50,000 or less, and where the unpaid purchase price is over this amount the tax is \$50, plus \$75 for every additional \$100,000 or fraction of paid-up capital. The tax under the proposed amendment will be much greater than under the present act. This legislation is the same as prevails in Manitoba and Saskatchewan. In British Columbia the tax is one per cent. together with a set amount of capital.

Trust companies now pay a minimum tax of \$100 where the paid-up capital is \$100,000 or less and \$50 on every additional \$100,000 or fraction thereof, and where the gross earnings of any trust company are \$25,000 or over

such company shall pay a further sum of \$500 per annum. In addition there is provided a minimum tax of \$50 for trust companies whose authorized capital is \$100,000 or less, and \$100 where the authorized capital is over \$100,000.

The proposed tax is a minimum of \$100 where the paid up capital of the company is \$100,000 or less, and \$175 if the paid-up capital exceeds \$100,000, together with a tax of one per cent. on the gross income. The proposed legislation will increase the revenue from this source. It is practically the same as Manitoba and Saskatchewan. In British Columbia the tax is one per cent. on the investments of these companies.

Heretofore law telegraph and express companies have paid office taxes. Under the proposed amendment they will be required to pay a tax of one per cent. on their gross receipts in Alberta, which will materially increase the revenue from that source.

Direct taxation upon the unearned increment on land in Alberta will provide a revenue of \$210,000 in 1914, it was announced by Premier Arthur L. Sifton, acting provincial treasurer, in presenting the budget for next year to the legislation in session in Edmonton. The bill, to provide for this revenue, has been made a treasury matter and will be introduced by the premier. It marks new legislation in the Dominion of Canada.

Premier Sifton shows estimated receipts of \$9,731,350 for 1914, including a balance of \$859,175 for 1913, as compared with \$10,610,885, including a balance of \$33,135 from 1912. The estimated expenditures for 1914 are placed at \$9,514,130, of which \$5,164,030 is chargeable to income and \$3,350,100 chargeable to capital, as against a total of \$9,555,579 for 1913. The estimated revenue, apart from loans, is placed at \$5,272,175, giving an estimated surplus of \$108,145.

INSURANCE AND THE NEW TARIFF.

Now that the momentous question of the tariff has been settled, for at least four years, the pulse of business of this country should beat regularly again. Whether the beating will be less rapid than before the present agitation for a reduction in the tariff began, time alone will tell. The tension due to uncertainty has at all events been relieved and the importers and manufacturers know where they stand. The signing of the new tariff bill does not by any means imply a lessening in the cost of living to the public; so insurance still continues to be the people's buttress of defence against disaster and extravagance. No change in the complexion of the national government can affect its stability.

Real insurance will always insure, no matter which way the political weather-vane turns.—(American Exchange and Review.)

EMPIRE LIFE INSURANCE COMPANY.

The Empire Life Insurance Company of Toronto is being organized, the prospectus having just been issued. It shows that the company is capitalized at \$1,000,000 in 10,000 shares of a par value of \$100. An offering is now being made of 7,500 shares at a premium of 25 per cent., with 15 per cent. paid up on capital account, making a total of \$40 a share. The provisional board of directors is as follows: President, Hon. Thos. Crawford, Toronto; managing director, George Boyd Wickes, Toronto; actuary and secretary, R. W. Barton, W. I. A., Toronto; directors, W. C. Bayley, Nelson, B.C.; W. H. Sheriff, Toronto; W. W. Wadleigh, Edmonton; medical referee, T. F. McMahon, M. D., Toronto. The head office of the company is located in Toronto. The Empire Life will make a speciality of sub-standard or under-average lives. That is, it will pay particular attention to risks which have been turned down by other companies.