



†Includes excess profits tax for the year 1952.

*Estimated

Corporation income tax

The corporation income tax (excluding the old age security tax) yielded \$1,029 million in 1958-59 and was the second largest revenue producer. The decrease of \$206 million or 17 per cent from the previous year was largely due to lower corporate profits in 1958. It is estimated that \$12 million of the decrease resulted from the tax change announced in December, 1957 which increased the first bracket subject to the lower rate of tax from \$20 thousand to \$25 thousand.

In addition the 2 per cent tax on incomes of corporations under the Old Age Security Act yielded \$55 million which was credited to the old age security fund.

Taxes on interest, dividends, rents and royalties going abroad

Revenue under this heading is derived from taxes withheld on payments of interest, dividends, rents, royalties, alimony and income from estates and trusts made to non-residents. The decrease of \$4 million from the previous year reflected lower corporate profits in 1958 and because some large refunds were made to adjust overpayments of tax in previous years.

Excise taxes

Included under this heading are the revenues from the general sales tax and the special excise taxes levied on a wide range of manufactured products.

The most important tax levied under the Excise Tax Act from a revenue standpoint is the sales tax. The decrease of \$9 million or 1 per cent in receipts (excluding the 2 per cent old age security tax) from the previous year reflected the new exemptions announced in the 1958 Budget which it is estimated reduced revenue by \$7 million.

The 2 per cent tax on sales levied under the Old Age Security Act and credited to the old age security fund yielded \$173 million compared to \$176 million in the previous year.