

Ontario, Quebec and British Columbia collect their own succession duties. The four Atlantic Provinces and Manitoba and Saskatchewan reimposed succession duties with effect from January 1, 1972. The duties levied by these six provinces will be collected by the Federal Government as agent under three-year collection agreements.

All the provinces except Alberta levy a gift tax. This is a tax on the total value of gifts made in the year by a living person resident in the province. It is intended primarily to protect the revenue from succession duties. For all provinces except Quebec and Alberta the tax will be collected by the Federal Government as agent under collection agreements. Quebec administers its own gift tax.

#### Race-Track Taxes

Ontario levies a tax on operators of race meets and on holders of winning tickets issued under the pari-mutuel system. Holders of winning tickets must pay a tax equal to 7 per cent of the amount that would be payable to them if no percentage were deducted by the person holding the race meet. A number of other provinces levy a pari-mutuel tax on money bet in the province on horse races.

#### Municipal Taxes

The municipalities in Canada levy taxes on the owners of property situated within their jurisdiction according to the assessed value of such property. Methods of determining assessed value vary widely, but for taxation purposes it is generally considered to be a percentage of the actual value. The revenues from such taxes are used to pay for street maintenance, schools, police and fire protection and other community services. Special levies are sometimes made on the basis of street-frontage to pay for local improvements to the property, such as sidewalks, roads and sewers. Not only is there a widespread difference in the bases used for property tax but there is a wide variety of rates applied depending on the municipality.

In addition to the taxes described above, municipalities usually impose a charge for the water-consumption of each property-holder or a water tax based on the rental value of the property occupied. There are no municipal income taxes, although certain localities have retained the use of a poll tax. In Newfoundland, Quebec and Saskatchewan, municipalities are empowered to levy a tax on the admission of persons to places of entertainment. Electricity and gas are taxed at the consumer level in some Western and in some New Brunswick municipalities, and coal and fuel oil for heating purposes are chargeable in urban areas of Newfoundland. Telephone-subscribers are subject to a special levy in Montreal and certain Ontario municipalities impose a tax on the gross receipts of telephone companies.

In most municipalities, a tax is levied directly on the tenant or the operator of a business. In general, business-tax rates are lower than those applying to property. Three bases of assessment are in use: a fraction of the