

The following table shows what taxpayers pay at various levels of income:

TABLE A

	<u>Income</u>	<u>Income Tax</u>	<u>O.A.S. Tax</u>
Single taxpayer - no dependants	\$ 1,200	11	3
	1,500	44	12
	2,000	99	27
	2,500	166	42
	3,000	236	57
	5,000	591	90
	10,000	1,840	90
	20,000	5,825	90
	50,000	20,965	90
	100,000	50,855	90
Married taxpayer - no dependants	2,200	11	3
	2,500	44	12
	3,000	99	27
	5,000	403	87
	10,000	1,544	90
	20,000	5,375	90
	50,000	20,415	90
	100,000	50,205	90
Married taxpayer - two children eligible for family allowances	2,800	11	3
	3,000	33	9
	5,000	301	69
	10,000	1,388	90
	20,000	5,105	90
	50,000	20,085	90
	100,000	49,815	90

In calculating these taxes, it has been assumed that all taxpayers take the standard deduction of \$100. No allowance has been made for the 20 per cent dividend tax credit.

In calculating the taxes shown for a married taxpayer with two children eligible for Family Allowances, a deduction of \$300 has been allowed for each child.

The income taxes shown above are abated by 17 per cent in all provinces. In all provinces except Quebec, Manitoba and Saskatchewan, the provincial tax is the same as the federal abatement. Therefore, in these provinces, the taxes shown above are the combined federal and provincial taxes. In Quebec the provincial tax does not coincide with the federal abatement. In Manitoba and Saskatchewan the provincial tax exceeds the abatement by 6 percentage points.

It was announced in the 1963 Budget Speech that taxpayers who established a manufacturing or processing business in a designated area of slower growth during a two-year period commencing on the date of enactment of the 1963 Income Tax Act Amending Bill would be eligible for a three-year exemption from income tax. As of July 1963, this proposed change had not been brought into force by legislation nor had any area been designated.