

Corporate Income Tax

All provinces levy a tax on the profits of corporations derived from activities carried out within their boundaries. In all provinces except Ontario and Quebec, the provincial tax is imposed on taxable income in the province determined on the same basis as for federal income tax. In Ontario and Quebec the determination of taxable profits for purposes of provincial tax follows closely the federal rules. The rates of tax levied by the various provinces are as follows:

<u>Province</u>	<u>Rate of tax on taxable profits</u>
Newfoundland	9 percent
Prince Edward Island	9 percent
Nova Scotia	9 percent
New Brunswick	9 percent
Quebec	12 percent
Ontario	11 percent
Manitoba	10 percent
Saskatchewan	10 percent
Alberta	9 percent
British Columbia	9 percent

NOTE: All provinces except Ontario and Quebec have signed agreements for the collection of their income taxes by the Federal Government. Four of the ten provinces levy corporate income taxes at rates in excess of the abatement allowed by the Federal Government. This abatement is equal to 9 percent of corporate profits, except in Quebec where the abatement is 10 percent.

Alcoholic Beverages

Generally speaking, the sale of spirits in all provinces is made through provincial agencies operating as boards or commissions which exercise monopolistic control over this commodity. The provincial mark-up over the manufacturers' price is the effective means of taxation. Beer and wine may be sold by retailers or government stores depending on the province, but in all cases they contribute to provincial revenues.

Retail Sales Taxes

Retail sales taxes are levied on the final purchaser or user and are collected by the retailer. Eight provinces now levy this type of tax at rates varying between 3 percent and 5 percent. These provinces are Newfoundland, Prince Edward Island, Nova Scotia, New Brunswick, Quebec, Ontario, Saskatchewan and British Columbia. In the Province of Quebec, the general rate is 4 percent but the Province allows its municipalities to levy an additional 2 percent for municipal purposes.

Amusement Taxes

Each of the provinces, with the exception of Alberta and Saskatchewan, has a tax on admission to places of entertainment. In addition, there is generally a license fee imposed on the operator or owner of these amusement places. The tax on admissions is within the range of 5 percent to 13 percent. Alberta and Ontario impose a pari-mutuel tax.

Gasoline and Diesel Fuel Oil Taxes

Each of the ten provinces imposes a tax on the purchase of gasoline by motorists and truckers. The rates vary from 12¢ a gallon in Alberta to 19¢ in Nova Scotia and Newfoundland. The