

Section III

Personal Income and Corporation Taxes
and Succession Duties

We submit for the consideration of the Dominion and the other provincial governments an alternative plan to deal with corporation and personal income taxes and succession duties and subsidies. In brief the plan is:

1. The Dominion shall levy corporation and personal income taxes under its own acts, but not succession duties.

2. The provinces shall levy corporation and personal income taxes at their own rates, but under acts uniform with the Dominion.

3. The provinces shall levy succession duties under uniform acts.

4. The Dominion shall collect corporation and personal income taxes as agent of the provinces; the provinces shall collect succession duties.

5. Ten per cent of the provincial corporation taxes, personal income taxes and succession duties shall be placed in a fund, to be known as the The National Adjustment Fund, for division among the provinces in the form of Provincial Adjustment Grants on the basis of fiscal need to be determined by the Dominion-Provincial Co-ordinating Committee.

6. A re-adjustment of provincial corporation income tax revenues would be provided so that the advantage of head office location in some provinces would be shared by all provinces.

7. The Dominion would continue to pay subsidies as provided by the B.N.A. Act, 1867, and amendments.

This plan preserves all the advantages of single corporation and personal income tax collection as proposed by the Dominion Government, leaves the provinces with the power to levy income taxes in conjunction with the Dominion, and reserves succession duties to the provinces.