

a flat rate an acre of mining property. Quebec levies a tax on the economic value of ore at the pit-head ranging between 9 per cent and 15 per cent, depending on the volume. Ontario imposes a tax on the profit on the assessed value of minerals and a flat rate an acre of mining property. Manitoba imposes a rate of 15 per cent if mining income exceeds \$50,000. The British Columbia mining-tax rate is 15 per cent on net income from mining in excess of \$10,000.

Tax on Logging Operations

Quebec, Ontario and British Columbia levy a tax on the income from logging operations of individuals, partnerships, associations or corporations. In Quebec and Ontario the rate is 10 per cent, and in British Columbia 15 per cent on net income where in excess of \$10,000 (in Quebec and British Columbia⁽⁶⁾, if the net income is greater than \$10,000, the whole amount is taxable with no basic exemption). In Ontario and Quebec one-third, and in British Columbia 20 per cent, of the tax is allowed as a deduction from provincial corporate income tax or, in Quebec, from the provincial income tax; two-thirds of the provincial tax is deductible from federal income tax.

Business Taxes

Quebec imposes a tax of 1/5 of 1 per cent on paid-up capital of corporations and Ontario levies a similar tax at the rate of 1/10 of 1 per cent.

Quebec and Ontario have a place-of-business tax. In Quebec, the tax is generally \$50 but is reduced to \$25 when the paid-up capital is less than \$25,000; in the case of loan companies, the tax is \$100 when capital paid up is \$100,000 or more. In Ontario, the tax for each permanent establishment is the lesser of \$50 or one twentieth of 1 per cent of the paid-up capital of the corporation involved, but the total of the capital tax and the place-of-business tax cannot be less than \$20. Ontario also imposes an office tax of \$50 on every corporation that does not maintain a permanent establishment in the province but merely maintains a buying office or holds certain provincial licences or holds assets. A corporation that does not maintain a permanent establishment in Ontario but is represented by a resident employee or agent who is not deemed to operate a permanent establishment of the corporation in the province must pay an office tax of \$50 or one-tenth of 1 per cent of the total amount of its gross Ontario sales or revenue if less than \$50,000, subject to a minimum office tax of \$5.

Both provinces levy special taxes on certain kinds of company such as banks, railway companies, express companies, trust companies and sleeping-car, parlour-car and dining-car companies. In Ontario, these special taxes (except the tax payable by insurance corporations calculated on gross premiums) and the capital and place-of-business taxes are payable only to the extent that they exceed the corporate income tax otherwise payable.

(6) To be repealed for taxation years ending on and after March 31, 1972.