

c) Provincial tax credit:

Individuals who are liable to the payment of a provincial income tax may claim an abatement of 13 per cent of the federal tax otherwise payable on that part of their income subject to the provincial levy.

To a very large extent, individual income tax is payable as the income is earned. Taxpayers in receipt of salary or wages have tax deducted from their pay by their employer and in this way pay nearly 100 per cent of their tax liability during the calendar year. The balance of the tax, if any, is payable at the time of filing the tax return before April 30, in the following year. People with more than 25 per cent of their income from sources other than salary or wages must pay the tax by quarterly instalments throughout the year. Here again returns must be filed before April 30, in the following calendar year.

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

TABLE A

Canadian Personal Income Tax - 1959

	<u>Income</u>	<u>Income Tax</u>	<u>OAS tax</u>
Single taxpayer - no dependants	\$ 1,200	\$ 11	\$ 3
	1,500	44	10
	2,000	99	23
	2,500	166	35
	3,000	236	48
	5,000	582	75
	10,000	1,781	75
	20,000	5,666	75
	50,000	21,206	75
	100,000	52,596	75
Married taxpayer - no dependants	2,200	22	3
	2,500	44	10
	3,000	99	23
	5,000	403	73
	10,000	1,495	75
	20,000	5,226	75
	50,000	20,666	75
	100,000	51,956	75
Married taxpayer - two children eligible for family allowances	2,800	22	5
	3,000	44	10
	5,000	318	60
	10,000	1,370	75
	20,000	5,006	75
	50,000	20,392	75
	100,000	51,632	75

In calculating these taxes it has been assumed that all taxpayers take the standard deductions of \$100.

It has also been assumed that, where incomes are in excess of \$30,000, that part of the income which is in excess of \$30,000 is investment income and consequently subject to the 4 per cent surtax. No allowance has been made for the 20 per cent dividend tax credit.