

The Budget—Appendix

(3) COMPARISON OF ACTUAL REVENUES WITH FORECAST

The Budget Speech on June 17, 1958 forecast that budgetary revenues for the fiscal year 1958-59 would be \$4,652 million. On August 13, 1958 the Minister of Finance stated that as a result of further sales tax exemptions provided in the amendments to the Excise Tax Act the revenue forecast for the year would be changed to \$4,650 million.

It is now estimated that budgetary revenues for the fiscal year will be \$4,770 million or \$120 million more than forecast. This increase of about 3 per cent over the budget forecast reflects the fact that economic conditions for the year, as measured by the G.N.P., were slightly better than those on which the forecast of revenues was based.

The following table shows the extent to which actual revenues for 1958-59, as now estimated, differ from the budget forecast.

TABLE 6

COMPARISON OF FORECAST WITH ACTUAL REVENUES FOR FISCAL YEAR ENDED MARCH 31, 1959

(in millions of dollars)

SOURCE OF REVENUES	Budget forecast of revenues ⁽¹⁾	Revenues (estimated)	Increase or decrease (-) compared with budget forecast	
			Amount	Per cent
Personal income tax.....	1,369	1,371	2	0.1
Non-resident income tax.....	70	60	-10	-14.3
Corporation income tax.....	1,019	1,029	10	1.0
Succession duties.....	65	73	8	12.3
Customs import duties.....	450	486	36	7.4
Sales tax (net).....	698	694	-4	-0.6
Excise duties and excise taxes other than sales tax.....	549	560	11	2.0
Miscellaneous taxes.....	2	1	-1	-50.0
Total tax revenues.....	4,222	4,274	52	1.2
Non-tax revenues.....	428	496	68	13.9
Total budgetary revenues.....	4,650	4,770	120	2.5

⁽¹⁾ As amended August 13, 1958.

As the above table shows, the actual revenue from a number of sources is expected to be very close to the amount forecast. The revenue sources which showed a significant difference from the amount forecast are the non-resident income tax, succession duties, customs import duties and non-tax revenues.

The revenue from the tax on income going to non-residents fell below the forecast because dividend payments going abroad were not as high as expected and because some large refunds were made to adjust overpayments of tax in previous years.

The revenue from succession duties has been substantially influenced in the last four years by duties payable on two exceptionally large estates and actual revenues in each year have varied from forecasts because of the difficulty of foreseeing exactly when the duties on these estates would be paid.

The revenue from customs duties exceeded the forecast reflecting the fact that imports in the year did not decline as much as expected.

Non-tax revenues were \$68 million above the forecast, due to larger than expected profits from the Bank of Canada and the Central Mortgage and Housing Corporation, and other returns on investments.