

It was shewn that the gross receipts from all telephone and other equipment situated within the limits of the town in 1916 was \$7,644.65.

Section 14 (1) of the Assessment Act, R.S.O. 1914 ch. 195, as amended by 5 Geo. V. ch. 36, sec. 1, provides "that every telephone company carrying on business in a . . . town . . . in addition to any other assessment to which it may be liable under this Act, shall be assessed for 60 per cent. of the amount of the gross receipts from all telephone and other equipment belonging to the company located within the municipal limits of the . . . town . . . for the year ending on the 31st day of December next preceding the assessment." Sub-section (2) provides that every telephone company shall be assessed in every township for its wires placed or strung on poles used by the company in the township, thus providing for the assessment of long distance lines; and the appellant company paid an assessment to the various municipalities through which it operated its lines.

The appellant company was notified in June, 1917, of an income assessment of \$10,000. Upon appeal to the Court of Revision this was reduced to \$8,000, apparently estimated by adding to \$4,538, i.e., 60 per cent. of the company's gross receipts from its equipment in the town, a proportion of the total receipts and commissions shewn by the company's report for 1916 to have been earned from the whole of its long distance system.

The appeal was upon the ground that the town corporation had no right to assess income derived from the long distance lines and equipment.

F. L. Smiley, for the company.

George Ross, for the town corporation.

HAYWARD, JUN. DIST. CT. J., in a written judgment, after stating the facts, said that, under sec. 14 (1) as amended, the town corporation had the right to assess the company to the extent of 60 per cent. of its gross receipts for all equipment situated within the town; but it was not the intention, nor was it the meaning of the section, that the town corporation should, in addition, have the right to assess the company on income received from its long distance lines, or even on a portion of such income, simply because a central exchange for a long distance service is situated within the town. Therefore, the income received from the long distance system was not assessable by the town corporation; the appeal