

THE INCOME TAX AND THE INDIVIDUAL

MARRIED WOMEN'S INCOMES.

A married woman having a private income not derived in any way from her husband may claim personal exemption up to \$2,000, for Normal Tax, just as he does. Beyond this figure she is liable to the same taxes as anyone else and must apply for a form and send it in with the necessary remittance.

In such a case, the \$200 exemption for each dependent child may be claimed by either husband or wife, but not by both.

No partnership between husband and wife is recognized by the Income Tax Law. A man and wife carrying on a business together cannot make separate returns and claim two exemptions on the ground that they draw separate incomes from the business. The law treats such a pair of incomes as one.

WHAT INCOME TAX DO COMPANIES PAY?

A Normal Tax of 10% on income exceeding \$2,000. If the taxable income is \$5,000 or over the tax is increased by 5%, making a total of 10½% in such a case.

It should be remembered that returns must still be made under the Business Profits War Tax Act, as well as under the Income Tax Act; but only the greater of these two taxes has to be paid.

When a company's fiscal year does not coincide with the calendar year, returns may be made for the fiscal year that ends during the calendar year.

The individual shareholder may be taxed on his proportion of a company's **undivided profits**, if the Finance Minister considers that their accumulation is intended to evade the law and exceeds the reasonable requirements of the business.

A company has to send in before the end of **March** (not April) the names and addresses of its shareholders, with particulars of dividends, etc., paid to them, if any such payments have been made.