

Wines (additional excise taxes) - (11)

Wines of all kinds containing not more than 7% of absolute alcohol by volume ..... 2½ cents a gallon

Wines of all kinds containing more than 7% of absolute alcohol by volume ..... 5 cents a gallon

Insurance premiums paid to British or foreign companies not authorized to transact business in Canada or to non-resident agents of authorized British or foreign companies ..... 10 % of net premium for property surety, fidelity and liability insurance. (Most other kinds of insurance are exempt.)

All the foregoing items, except the last one, are also subject to the general sales tax of 9 per cent and the old-age-security tax of 3 per cent. Cigarettes, cigars and tobacco are subject to further taxes under the Excise Act (referred to as excise duties).

Excise Duties

The Excise Act levies taxes (referred to as excise duties) upon alcohol, alcoholic beverages (other than wines) and tobacco products. These duties are not levied on imports but the customs tariff applies special duties to these products equivalent to the excise duties levied on the products manufactured in Canada. Exported goods are not subject to excise duties.

1. Spirits - The duties are on a proof gallon basis. These duties do not apply to denatured alcohol intended for use in the arts and industries, or for fuel, light or power, or any mechanical purposes. The various duties are as follows:

(1) on every gallon of the strength of proof distilled in Canada, \$14.25;

(2) on every gallon of the strength of proof used in manufacture of

(a) medicines, extracts, pharmaceutical preparations, etc., \$1.50 a gallon,

(b) approved chemical compositions, 15 cents a gallon,

(c) spirits sold to a druggist and used in the preparation of prescriptions, \$1.50 a gallon,

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(11) These taxes apply to both domestic and imported wines.