Canadian Personal Income Tax in 1969 (Cont'd)

Status	Income	Income Tax including Social Development Tax and Surtax	Old Age Security Tax
Married taxpayer - two children under age 16	$2,800	11	4
	3,000	32	12
	5,000	330	92
	10,000	1,524	240
	20,000	5,352	240
	50,000	20,782	240
	100,000	51,403	240

The amounts of income tax shown above are the combined federal and provincial taxes in provinces where the provincial tax is the same as the federal abatement (i.e., in Prince Edward Island, Nova Scotia, Ontario and British Columbia). In Newfoundland, New Brunswick, Quebec, Manitoba, Saskatchewan and Alberta the provincial tax exceeds the abatement and the combined tax is greater than the amount shown above.

In calculating these taxes it has been assumed that all taxpayers take the standard deduction of $100. No allowance has been made for the 20 percent dividend tax credit.

Corporation Income Tax

The Income Tax Act levies a tax upon the income from anywhere in the world of corporations resident in Canada and upon the income attributable to operations in Canada of non-resident corporations carrying on business in Canada.

In computing their income, corporations may deduct operating expenses including municipal real estate taxes, reserves for doubtful debts, bad debts, and interest on borrowed money. They may not deduct provincial income taxes other than provincial taxes on income derived from mining operations. (For this purpose "income from mining operations" is specially defined).

Regulations covering capital-cost allowances (depreciation) permit corporations and individuals in business to deduct over a period of years the actual cost of all depreciable property. The yearly deductions of normal capital-cost allowances are computed on the diminishing balance principle. (Taxpayers engaged in farming and fishing may choose between this and the straight-line method). Regulations issued under authority of the Income Tax Act establish a number of classes of property and maximum rates. There is provision for recapture of any amount deducted in excess of the ultimate net capital cost of any asset.

Accelerated depreciation (full write-off in two years) is allowed in respect of property acquired in the period April 27, 1965, to December 31, 1969, to prevent water pollution. Accelerated depreciation (full write-off in four years) is also allowed in respect of new buildings or other structures for storing grain on a farm