(At present only Ontario,[2] Quebec, and British Columbia impose logging taxes.) Commencing in 1977, a mining corporation will be able to claim an extra federal tax abatement of 15 per cent of its production profits in a province.

Corporations are required to pay their tax by monthly instalments throughout their taxation year. Any balance of tax remaining has to be paid by the last day of the third month following the close of the taxation year and the return for the year must be filed by the last day of the sixth month following the close of the taxation year.

Taxation of Non-Residents

An individual or corporation not resident in Canada is liable for Canadian income tax on income from employment or from carrying on business in Canada and on one-half of capital gains less losses on disposals of "taxable Canadian property". For this purpose taxable Canadian property includes:

real property interests situated in Canada;

assets used in carrying on business in Canada;

interests in certain partnerships and trusts;

shares in a corporation resident in Canada other than a public corporation; and

shares in Canadian public corporations where the non-resident owns a 25 percent or greater interest.

The taxation of capital gains may be restricted by the provisions in tax treaties between Canada and other countries.

The expression "carrying on business in Canada" includes producing, growing, packaging or improving any article in Canada and also soliciting orders or offering anything for sale in Canada through an agent or servant. However, this is usually modified by tax treaties so that an enterprise of another country is taxed by Canada on its industrial and commercial profits only if it carries on business through a permanent establishment in this country. Tax treaties also provide some exemptions from tax on remuneration for services.

The taxable income of non-resident individuals derived from employment or carrying on business or from capital gains in Canada is taxed under the same schedule of rates as apply to Canadian resident individuals.

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(2) Ontario has announced that this tax is to be repealed in respect of taxation years ending on and after March 31, 1972.