

ESTIMATED COST TO FEDERAL GOVERNMENT OF PROPOSED CHANGE IN EQUALIZATION FORMULA AND INCREASED TAX ABATEMENTS FOR THE THREE FISCAL YEARS 1964-65 TO 1966-67

(thousands of dollars)

| | Nfld. | P.E.I. | N.S. | N.B. | Que. | Ont. | Man. | Sask. | Alta. | B.C. | Total |
|--|-------|--------|--------|--------|---------|--------|--------|--------|-------|--------|---------|
| I 1964-65 | | | | | | | | | | | |
| 1. November 1963 proposals | | | | | | | | | | | |
| (a) Changes in equalization (18-9-50 formula)..... | 2,928 | 517 | 4,297 | 4,800 | 34,130 | — | 5,914 | 2,723 | — | — | 55,309 |
| (b) Additional 25% of estate tax..... | 136 | 36 | 1,348 | 506 | 8,382 | 14,417 | 1,278 | 546 | 1,601 | 3,920 | 32,170 |
| Total, 1964-65..... | 3,064 | 553 | 5,645 | 5,306 | 42,512 | 14,417 | 7,192 | 3,269 | 1,601 | 3,920 | 87,479 |
| II 1965-66 | | | | | | | | | | | |
| 1. November 1963 proposals | | | | | | | | | | | |
| (a) Changes in equalization (19-9-50 formula)..... | 3,499 | 641 | 5,186 | 5,513 | 45,650 | — | 7,685 | 4,669 | — | — | 72,843 |
| (b) Additional 25% of estate tax..... | 143 | 37 | 1,416 | 531 | 8,802 | 15,137 | 1,342 | 574 | 1,681 | 4,116 | 33,779 |
| Sub-total..... | 3,642 | 678 | 6,602 | 6,044 | 54,452 | 15,137 | 9,027 | 5,243 | 1,681 | 4,116 | 106,622 |
| 2. April 1964 proposals | | | | | | | | | | | |
| (a) Additional abatement of 2 points in individual income tax equalized to the top 2 provinces*..... | 1,694 | 372 | 2,638 | 2,136 | 19,170 | 23,018 | 3,322 | 3,220 | 3,488 | 5,496 | 64,554 |
| 3. Total, 1965-66..... | 5,336 | 1,050 | 9,240 | 8,180 | 73,622 | 38,155 | 12,349 | 8,463 | 5,169 | 9,612 | 171,176 |
| III 1966-67 | | | | | | | | | | | |
| 1. November 1963 proposals | | | | | | | | | | | |
| (a) Changes in equalization (20-9-50 formula)..... | 4,137 | 778 | 6,185 | 6,324 | 56,675 | — | 8,936 | 7,034 | — | — | 90,069 |
| (b) Additional 25% of estate tax..... | 151 | 39 | 1,486 | 557 | 9,242 | 15,894 | 1,409 | 603 | 1,765 | 4,322 | 35,468 |
| Sub-total..... | 4,288 | 817 | 7,671 | 6,881 | 65,917 | 15,894 | 10,345 | 7,637 | 1,765 | 4,322 | 125,537 |
| 2. April 1964 proposals | | | | | | | | | | | |
| (a) Additional abatement of 4 points in individual income tax equalized to the top 2 provinces*..... | 3,656 | 804 | 5,696 | 4,616 | 41,408 | 49,720 | 7,176 | 6,956 | 7,536 | 11,868 | 139,436 |
| 3. Total..... | 7,944 | 1,621 | 13,367 | 11,497 | 107,325 | 65,614 | 17,521 | 14,593 | 9,301 | 16,190 | 264,973 |

* Calculated for Alberta and B.C. on assumption that there would be no equalization as a result of the natural resource revenue adjustment.