

income taxes for all provinces except Quebec, provincial corporation income taxes for all provinces except Ontario and Quebec and provincial succession duties for all provinces except Quebec, Ontario, Alberta and British Columbia.

Federal Taxes

Individual Income Tax

Personal income taxation in Canada is imposed on the basis of residence. Every individual who is resident in Canada at any time during a year is liable for the payment of income tax on all his income. A non-resident individual is liable for tax only on income from sources in Canada. The term "residence" is difficult to define simply but, generally speaking, it is taken to be the place where a person resides or where he maintains a dwelling ready at all times for his use. There are also statutory extensions of the meaning of "resident" to include a person who has sojourned in Canada for an aggregate 183 days in a taxation year, or a person who was during the year a member of the armed forces of Canada, or an officer or servant of Canada or of any one of its provinces, or the spouse or dependent child of any such person. The extended meaning of resident also includes employees who leave Canada to work under certain international development-assistance programs.

The Canadian tax law employs the conceptions "income" and "taxable income". The income of a resident of Canada for a taxation year comprises his revenues from all sources inside or outside Canada and includes income for the year from all businesses, property, offices and employments. Starting in 1972, it also includes one-half of capital gains.

In computing his income, an individual must include benefits from employment, fees, commissions, dividends, annuities, pension benefits, interest, alimony and maintenance payments. Also included are unemployment insurance benefits, scholarships in excess of \$500, benefits under a disability insurance plan to which his employer contributes, and miscellaneous other items of income. On the other hand, war-service disability pensions paid by Canada or a country that was an ally of Her Majesty at the time of the war service, social-assistance payments made on a needs-test basis under a prescribed program, compensation in respect of an injury or death paid under a workmen's compensation act of a province and family-income security payments do not have to be included in the computation of income.

An employee does not have to include in his income allowances paid to him by his employer to cover travelling expenses to a distant work-site, or board and lodging while at the site. In order to qualify, the worker must travel away from his ordinary residence in which he supports his wife or other dependant, the work-site must be temporary and the time away from his ordinary residence must be at least 36 hours.

Certain amounts are deductible in computing income. These include contributions to a registered employees pension plan, premiums to a registered retirement savings plan, premiums under the unemployment insurance program, alimony payments and union dues. An employee may deduct 3 per cent of his salary or