

c) Abatement under federal-provincial arrangements:

As explained under the heading of "Federal-Provincial Arrangements", the federal basic tax otherwise payable on income of a resident of a province and on income earned in a province is reduced by 28 per cent. ⁽⁵⁾

d) Tax deduction:

All individuals may deduct from their federal basic tax an amount equal to the lesser of 20 per cent of basic tax, or \$20.

To a very large extent, individual income tax is payable as the income is earned. Taxpayers in receipt of salary or wages have tax deducted from their pay by their employer and in this way pay nearly 100 per cent of their tax liability during the calendar year. The balance of the tax, if any, is payable at the time of filing the tax return before April 30, in the following year. People with more than 25 per cent of their income in a form not subject to deductions at the source must pay tax by quarterly instalments throughout the year. Here also returns must be filed before April 30, in the following calendar year. Farmers and fishermen pay two-thirds of their tax on or before December 31 each year and the remainder on or before April 30 in the following year.

The following table shows what taxpayers pay at various levels of income:

Canadian Personal Income Tax in 1969

<u>Status</u>	<u>Income</u>	<u>Income Tax including Social Development Tax and Surtax</u>	<u>Old Age Security Tax</u>
Single taxpayer - no dependants	\$1,200	11	4
	1,500	43	16
	2,000	97	36
	2,500	174	56
	3,000	255	76
	5,000	661	156
	10,000	1,989	240
	20,000	6,094	240
	50,000	21,688	240
	100,000	52,475	240
Married taxpayer - no dependants	2,200	11	4
	2,500	43	16
	3,000	97	36
	5,000	447	116
	10,000	1,684	240
	20,000	5,630	240
	50,000	21,121	240
	100,000	51,805	240

(5) Except in the case of income earned in Quebec or received by a resident of Quebec where it is reduced by 50 per cent. (See section above on federal-provincial arrangements,)