

1979 Corporation income tax rates

	Small Busi- nesses %	Other Busi- nesses %
Newfoundland	12	14
Prince Edward Island . .	10	10
Nova Scotia	12	12
New Brunswick	9	12
Ontario	10	14
Quebec	12	
Manitoba	11	15
Saskatchewan	11	14
Alberta	5	11
British Columbia	12	15
Northwest Territories .	10	10
Non-provincial (Yukon Territory and non- resident)	10	10

Non-resident tax

In most cases, a tax is payable when interest, dividends, management fees, estate or trust income, rents, royalties, alimony, pensions, annuities or similar payments are paid to non-residents. The statutory rate of tax is 25 per cent except where it is overridden by other provisions of the Income Tax Act or through tax treaties (for example, a 20 percent rate applied to dividends paid to non-residents by corporations having a required degree of Canadian ownership). The effective rate of non-resi-

dent tax under most tax treaties varies between 10 and 25 per cent.

Other provincial taxes

Generally speaking, the sale of whiskey, gin, rum and similar spirits in all provinces is made through provincial agencies operating as boards or commissions that exercise control over the sale of alcoholic beverages. The provincial mark-up over the manufacturers' price is the effective means of taxation. Beer and wine are sold by retailers or by government stores, depending on the province, but in all cases these sales contribute to provincial revenues. Some provinces also impose special retail sales taxes on alcoholic beverages.

In addition, all provinces impose special taxes on the sale of tobacco products.

Retail sales tax

All provinces except Alberta impose sales tax on goods sold to the final purchaser or user. Some of these provincial levies also apply to certain services, including hotel and motel accommodation, telephone services, telecommunications and dry-cleaning services. They are collected by retail vendors acting as agents of the provinces. The rates are as follows: