

Merely making uniform the schedules in municipalities of the same class does not make equal the burden on types of business unless the tax rates are identical in the municipalities. This is an argument in favour of a fixed uniform rate on businesses.

The Income Tax.—The time is apparently not ripe for a general provincial income tax in which the municipalities share. Several conditions essential to the success of such a tax are as yet absent. The new federal income tax law renders the situation more difficult from the fiscal point of view, without making it much easier from the administrative point of view.¹ What remains is to revamp the present local income tax law into a form which will be more equitable and productive. Certainly the present exemption granted to incomes in cases where the person is assessed for other taxable subjects should be repealed. It may be that a plan somewhat like that in use in the State of Connecticut could be applied in Saskatchewan whereby every person filing a federal income tax return would also file a duplicate with the local authorities for use in formulating an assessment for municipal purposes.

The rate, in the presence of the highly progressive federal rate, cannot be made high, 2 per cent. probably being the upper limit. This rate could well be applied to the whole income, however, not merely to the net income over and above the initial exemption.

Poll Taxes.—The improvements tax will have a tendency to operate as a type of income tax on the lower ranges of income but it may be desirable to supplement it by the specific poll tax. This could be made to vary in amount with general classes of income in the lower ranges. For example, a person with an income of less than \$1,000 might be charged a five-dollar poll tax; one between \$1,000 and \$1,500 a ten-dollar poll tax, etc. This is, of course, one of the less desirable forms of taxation.

The Rentals Tax.—The rentals tax might be profitably resorted to in situations where the increase in the tax on improvements is an economic impossibility. Provision should be made which will render this tax available for such cases. The advisability of its use in particular cases should be determined by some central authority.

The Increment Tax.—Because the imposition of an increment tax at this time would probably have the effect of depressing land values still further, the adoption of such a measure in the present contingency is deemed to be ill advised.

MISCELLANEOUS CHANGES.

A Provincial Tax Commission.—It is now a serious question as to whether the time is not ripe for the appointment of a central provincial board of some dignity, power and responsibility to assist in the administration of the tax system. The necessity of providing for equalisation in connection with the patriotic tax gives point to the matter. Then there are equalisation functions as between towns and rural municipalities which could well be assigned to such a body. It could also take over from

¹ According to a letter dated September 17, from the Federal Commissioner of Taxation, the federal income tax returns are not available to provincial or municipal authorities.