

Subsection 3.—Analysis of Revenue from Taxation

As shown in Table 15, of the per capita revenue receipts of \$49·21 in 1940, \$40·95, or 83·2 p.c., were obtained by taxation. Customs receipts accounted for \$104,301,487, or only 22·3 p.c. of the total taxation revenue of \$467,684,964, while excise duties amounted to \$61,032,044, or 13·1 p.c. Thus the two sources of taxation revenue that were most important prior to the War of 1914-18 accounted for only about a third of the taxation revenue in 1940.

This treatment of taxation revenue is confined to excise duties and war-tax revenue since customs receipts constitute a single item in the "Public Accounts" and cannot be further analysed here. Excise statistics cover distillation and alcohol and tobacco taken out of bond and those of war-tax revenues include an analysis of the occupations and income classes of individuals and corporations contributing to the income tax, together with a statement of the income upon which taxes were assessed.

Excise Duties.—Excise duties proper are presented here together with a summary of the excise tariff and statistics arising as a by-product of administration, such as the quantities of grain and other products used in distillation and the quantities of excisable goods taken out of bond. Excise war taxes are shown under the heading "War-Tax Revenue".

Canadian Excise Tariff.—The following is a statement of the Canadian excise tariff, as existing at Oct. 31, 1940:—

1. Spirits distilled in Canada, per proof gal.	\$ 7·00	3. Beer or Malt Liquor:—	
Canadian brandy, per proof gal.	\$ 6·00	(a) Brewed in whole or part from any substance other than malt, per gal.	\$ 0·30
Except Spirits as follows:—		(b) Imported (in addition to any of the duties otherwise imposed), per gal.	\$ 0·07
(a) Used in a bonded manufactory for medicines, extracts, etc., per proof gal.	\$ 1·50	4. Malt:—	
(b) Used in a bonded manufactory for perfumes, per proof gal.	\$ 1·50	(a) Produced in Canada and screened, per lb.	\$ 0·10
(c) Used in a bonded manufactory for vinegar, per proof gal.	\$ 0·60	(b) Imported, per lb.	\$ 0·10
(d) Used for chemical compositions approved by Governor in Council, per proof gal.	\$ 0·15	5. Malt Syrup:—	
(e) Sold to licensed druggists for pharmaceutical preparations, per proof gal.	\$ 1·50	(a) Produced in Canada, per lb.	\$ 0·15
(f) Distilled from native fruits and used by a licensed wine manufacturer for fortification of native wines, per proof gal.	Free	(b) Imported, per lb.	\$ 0·25
2. Spirits imported (in addition to any of the duties otherwise imposed), per proof gal.	\$ 0·30	6. Tobacco, Cigars and Cigarettes:—	
		(a) Manufactured tobacco, per lb.	\$ 0·35
		(b) Cigarettes weighing not more than 2½ lb. per M, per M.	\$ 6·00
		(c) Cigarettes, weighing more than 2½ lb. per M, per M.	\$11·00
		(d) Cigars, per M.	\$ 3·00
		(e) Canadian raw leaf tobacco, when sold for consumption, per lb.	\$ 0·10

A drawback of 99 p.c. of the duty may be granted when domestic spirits, testing not less than 50 p.c. over proof, are delivered in limited quantities to universities, scientific or research laboratories, or to any bona fide public hospital for medicinal purposes only.

Revenue from Excise Duties.—In the fiscal year 1940, tobacco, including cigarettes, supplied about 64 p.c. of the revenue from excise duties.