

The Incidence of Combined Federal and Provincial Succession Duties.—Under the new tax agreements outlined at pp. 1048-1049, only the Provinces of Quebec and Ontario, which have not entered the agreement, have retained their own succession duties. As already mentioned, the other seven provinces elected to repeal their succession duties for the period from Apr. 1, 1947, to Mar. 31, 1952. As a consequence, the tables showing combined rates of federal and provincial duty for each province, which appeared at pp. 942-950 of the 1946 Year Book, have been deleted with the exception of those for the two above-mentioned provinces. The new condition of doubled federal duties and a tax credit up to 50 p.c. for the provincial duty has been taken into account in Tables 8 and 9. The rates under the heading "Dominion Duty" shown in the 1946 Year Book have been doubled and under "Combined Duty" the greater of (1) the amount of the federal duty (doubled rates), or (2) the provincial duty plus one-half the federal duty, is given.

In these two tables, the beneficiaries under all the classes show the duties collectable where the estate of given value is left to one beneficiary only, since it would be impossible to cover the many different classifications, exemptions and saving clauses to be found in the legislation of the respective provinces. In every case the estate is assumed to be wholly situated within the province and the beneficiary domiciled therein to be the sole heir. The reader is referred to the legislation and to the taxing authority shown under each provincial heading for more complete information.

Quebec.—The current legislation under which succession duties are collected is c. 18 of 1943. As stated at p. 1050, the following text and table can give only a broad outline of such duties as applied to comparable classes of beneficiaries in other provinces. Full details regarding other cases may be obtained from the Act quoted or from the Collector of Succession Duties, Provincial Revenue Offices, Quebec.

Under the legislation, beneficiaries are divided into three classes, as follows:—

- (1) Those in direct ascending or descending line between consort, between father- or mother-in-law, and son- and daughter-in-law, between step-father or step-mother and step-son and step-daughter. There is no limitation of degree in the direct ascending or descending line between these relationships.
- (2) Those in collateral line including a brother or sister, or descendant of a brother or sister of the deceased, or to a brother or sister, or son or daughter of a brother or sister, of the father or mother of the deceased.
- (3) Others.

No duty is payable when the aggregate value of the property passing to persons in Class (1) does not exceed \$10,000. This sum is increased by \$1,000 for each child who has survived or has left surviving descendants. No duty is payable on bequests up to \$1,000 to beneficiaries in Class (3) who have been in the employ of the testator for five years or more. In estates that devolved prior to Feb. 22, 1949, no duty is payable on legacies for religious, charitable or educational purposes in Quebec and the same privilege is extended to legacies for similar work outside that Province, provided that the province or State within which the work is to be carried out extends reciprocal privileges under its succession duty laws. Since February, 1949, all legacies, gifts and subscriptions for religious, charitable and educational purposes are tax-free, regardless of the country, province or State where the institutions benefiting therefrom are located.