

23.—Corporations Reporting a Profit, by Income Class and Size of Total Assets, Taxation Years 1955 and 1956

NOTE—Figures are for Corporations described as "fully tabulated", which means corporations for which sufficient information has been received for complete analyses.

Income Class and Size of Assets	1955		1956	
	Corporations Reporting	Current Year Profit	Companies Reporting	Current Year Profit
Income Class	No.	\$'000,000	No.	\$'000,000
Under \$5,000.....	16,716	32.3	18,254	30.8
\$5,000 under \$10,000.....	6,633	47.9	8,372	57.1
\$10,000 under \$25,000.....	10,121	166.5	13,423	219.8
\$25,000 under \$50,000.....	3,054	107.4	3,380	118.6
\$50,000 under \$100,000.....	1,864	130.0	2,059	142.7
\$100,000 under \$250,000.....	1,479	229.8	1,681	259.9
\$250,000 under \$500,000.....	594	205.6	668	231.6
\$500,000 under \$1,000,000.....	335	229.7	405	283.6
\$1,000,000 under \$5,000,000.....	287	613.4	327	676.6
\$5,000,000 or over.....	75	1,004.4	81	1,104.1
Totals.....	41,158	2,769.9	48,650	3,124.8
Total Assets				
Under \$50,000.....	9,729	33.8	11,446	40.4
\$50,000 under \$100,000.....	8,569	58.9	9,869	70.2
\$100,000 under \$250,000.....	10,862	138.8	13,362	171.2
\$250,000 under \$500,000.....	5,260	138.5	6,518	163.2
\$500,000 under \$1,000,000.....	3,107	173.7	3,344	189.0
\$1,000,000 under \$5,000,000.....	2,718	450.2	3,042	508.3
\$5,000,000 under \$10,000,000.....	397	198.6	488	232.4
\$10,000,000 under \$25,000,000.....	270	282.2	308	332.0
\$25,000,000 under \$100,000,000.....	195	601.7	209	550.8
\$100,000,000 or over.....	51	693.6	64	867.4

Succession Duties

A history of succession duties in Canada, together with examples of the occurrences of federal duty on typical estates and of combined federal and provincial duties on typical estates, is given in the 1956 Year Book, pp. 1064-1068.

At Dec. 31, 1957, only Ontario and Quebec among the provinces remained in this field. The federal legislation was amended, effective for the estates of persons dying on or after Apr. 1, 1957, by allowing a full 50-p.c. reduction of the federal duty on any property which had been taxed by Canada and a prescribed province (Ontario and Quebec) and a similar 50-p.c. reduction in the federal duty on pensions in the estates of persons dying domiciled in the said provinces. Another amendment provides that charitable successions may be deducted from the aggregate net value of the estate so that the amount of such items will not result in increasing the rates of duty paid by other successors.

If gift tax payable under the provisions of the Income Tax Act has been paid in connection with the transfer made by a deceased person during his lifetime, then no succession duty is payable in respect of such gift except to the extent that succession duty thereon is in excess of the gift tax.

The Estate Tax Act passed by Parliament in 1958 applies to the estates of persons dying on or after Jan. 1, 1959. The Dominion Succession Duty Act still applies to the estates of persons dying before that date. The new Act classifies estates into two groups, depending on the domicile of the deceased at the time of death.

The estates of persons domiciled in Canada at the time of death are taxed under Part I. The basic charging provision provides that an estate tax shall be paid upon the aggregate taxable value of all property, including foreign realty, passing on the death of a person. The aggregate taxable value is the aggregate net value of the property computed in accordance with Division "B" of Part I minus the deductions permitted by Division "C". The new Act provides that the tax is to be computed by reference to the property passing on the death or deemed to pass on death rather than a personal tax upon the successor in respect of the disposition or devolution to him. As a result there is just one rate of tax regardless of how the estate is distributed.