

Both Ontario and Quebec impose succession duties on all property situated in the province belonging to the deceased and passing at his death whether the deceased was domiciled in the province or elsewhere. Personal property wherever situated of a person dying domiciled within the province is also liable if passing to a successor resident or domiciled in the province.

The rates of succession duty are governed by the value of the estate, the relationship of the beneficiary to the deceased and the amount going to any one person. The rate of tax increases as the degree of relationship between the deceased and his successor becomes more remote.

Personal Income Taxes

Only the Province of Quebec imposes a personal income tax. Residents of Quebec are liable to tax on their income from all sources. Non-residents of the province who are employed or carrying on business therein are liable for tax on that portion of their income earned in the province. The personal exemptions are: single individual, \$1,000; married, no children, \$2,000; each child under 16 years of age, \$250; all other dependants, \$500 each.

The Quebec Income Tax Act is closely patterned after the federal Income Tax Act. It contains similar provisions regarding dividend tax credits, medical expenses and charitable donations. Like its federal counterpart, it uses a graduated rate scale. From 2.5 p.c. on the first \$1,000 of taxable income, the rates increase to a maximum of 13.2 p.c. on the excess over \$400,000.

Provincial Property Taxes

In unorganized (non-municipal) areas, British Columbia levies property taxes, at varying rates according to class, for provincial revenue. Improved, forest and tree-farm lands are taxed at 1 p.c. of assessed value; farm land at $\frac{1}{2}$ of 1 p.c.; wild land at 3 p.c.; coal land at 2 p.c. (non-operating) or 7 p.c. (operating); and timber land at $1\frac{1}{2}$ p.c.

Municipal Taxation

The municipalities in Canada levy taxes on the owners of property situated within their jurisdiction according to the assessed value of such property. Methods of determining assessed value vary widely but for taxation purposes it is generally considered to be a percentage of the actual value. The revenues from such taxes are used to pay for street maintenance, schools, police and fire protection and other community services. Special levies are sometimes made on the basis of street frontage to pay for local improvements to the property such as sidewalks, roads and sewers. Not only is there a widespread difference in the bases used for property tax but there is also a wide variety of rates applied depending on the municipality.

In addition, municipalities usually impose a charge for the water consumption of each property holder or a water tax based upon the rental value of the property occupied. There are no municipal income taxes although certain localities have retained the use of a poll tax. In Newfoundland, Quebec and Saskatchewan, municipalities are empowered to levy an amusement tax on the admission of persons to places of amusement. This practice differs from that of the other provinces where the amusement tax is generally a provincial preserve. Electricity and gas are taxed at the consumer level in some western municipalities while coal and fuel oil for heating purposes are chargeable in urban areas of Newfoundland. Telephone subscribers are subject to a special levy in Montreal while certain Ontario municipalities impose a tax on the gross receipts of telephone companies.

In most municipalities, a tax is levied directly on the tenant or the operator of a business. In general, business tax rates are lower than those applying to property. Three bases of assessment are in use—a fraction of the property assessment, the annual rental