

tax is imposed on taxable income in the province determined on the same basis as for federal income tax. In Ontario and Quebec the determination of taxable profits for purposes of provincial tax follows closely the federal rules. The rate of tax in Newfoundland, Prince Edward Island, Nova Scotia, New Brunswick, Alberta and British Columbia is 9 p.c. of corporate taxable income. The rate that applies in Manitoba and Saskatchewan is 10 p.c., in Ontario 11 p.c. and in Quebec 12 p.c.

Four of the ten provinces levy corporate income taxes at rates in excess of the abatement allowed by the Federal Government. This abatement is equal to 9 p.c. of corporate profits except in Quebec where it is 10 p.c. (see p. 965). All provinces except Ontario and Quebec have signed agreements for the collection of their income taxes by the Federal Government.

Alcoholic Beverages and Tobacco

Generally speaking, the sale of spirits in all provinces is made through provincial agencies operating as boards or commissions which exercise monopolistic control over alcoholic beverages. The provincial mark-up over the manufacturer's price is the effective means of revenue. Beer and wine may be sold by retailers or government stores depending on the province but in all cases they contribute to provincial revenues.* The Province of Prince Edward Island imposes a tax of 10 p.c. on all beer, wine and spirits sold at retail collected under authority of the Health Tax Act.

Prince Edward Island also imposes a tax on tobacco sold at retail: one fifth of one cent per cigarette purchased; from one to three cents per cigar, depending on price; and 10 p.c. of the retail price of all other tobacco purchased. Specific sales taxes on tobacco products are also levied in New Brunswick, Quebec and Manitoba.

Retail Sales Taxes

Retail sales taxes are levied on the final purchaser or user and are collected by the retailer. Eight provinces now levy this type of tax at rates varying from 3 p.c. to 5 p.c. These provinces are Newfoundland, Prince Edward Island, Nova Scotia, New Brunswick, Quebec, Ontario, Saskatchewan and British Columbia. In the Province of Quebec, the general rate is 4 p.c. but the province allows its municipalities to levy an additional 2 p.c. for municipal purposes.

Amusement Taxes

Each of the provinces with the exception of Alberta, Saskatchewan and British Columbia has a tax on admission to places of entertainment. In addition, there is generally a licence fee imposed on the operator or owner of these amusement places. The tax on admissions is within the range of 5 p.c. to 13 p.c.

Gasoline and Diesel Fuel Oil Taxes

Each of the ten provinces imposes a tax on the purchase of gasoline by motorists and truckers. The rates vary from 12 cents per gallon in Alberta to 19 cents in Nova Scotia and Newfoundland. The amount of tax borne by one gallon of motor vehicle fuel in each province is as follows:—

	<i>Gasoline</i>	<i>Diesel Fuel</i>		<i>Gasoline</i>	<i>Diesel Fuel</i>
	cts.	cts.		cts.	cts.
Newfoundland.....	19	19	Ontario.....	13	18.5
Prince Edward Island	18	18	Manitoba.....	14	17
Nova Scotia.....	19	27	Saskatchewan.....	14	17
New Brunswick.....	18	23	Alberta.....	12	14†
Quebec.....	15	21	British Columbia...	13	15

* The provincial mark-up over the manufacturer's price is not considered a "tax" in DBS financial statistics, but forms part of the "profits of government business enterprises" (see p. 960).

† Generally, fuel oil used for agricultural and industrial purposes is exempt from tax.