and in this way pay nearly 100 p.c. of their tax liability during the calendar year. The balance of the tax, if any, is payable at the time of filing the tax return before Apr. 30 in the following year. Persons with more than 25 p.c. of their income from sources other than salary or wages must pay tax by quarterly instalments throughout the year and returns must be filed before Apr. 30 in the following calendar year.

The following statement shows what taxpayers pay at various levels of income. In calculating these taxes it has been assumed that all taxpayers take the standard deduction of $100 and no allowance has been made for the 20-p.c. dividend tax credit.

Status	*Income*	*Income Tax*	*Old Age Security Tax*
	$	$	$
Single taxpayer—no dependants	1,200	11	4
	1,500	44	16
	2,000	99	36
	2,500	166	56
	3,000	236	76
	5,000	591	120
	10,000	1,840	120
	20,000	5,825	120
	50,000	20,965	120
	100,000	50,855	120
Married taxpayer—no dependants	2,200	11	4
	2,500	44	16
	3,000	99	36
	5,000	403	116
	10,000	1,544	120
	20,000	5,375	120
	50,000	20,415	120
	100,000	50,205	120
Married taxpayer—two children eligible for family allowances	2,800	11	4
	3,000	33	12
	5,000	301	92
	10,000	1,388	120
	20,000	5,105	120
	50,000	20,085	120
	100,000	49,815	120

The income taxes shown above are abated by 18 p.c. in all provinces. Where the provincial tax is the same as the federal abatement (i.e., in all provinces except Quebec, Manitoba and Saskatchewan) the taxes shown are the combined federal and provincial taxes. In Quebec the provincial tax approximates the federal abatement; in Manitoba and Saskatchewan the provincial tax exceeds the abatement by 6 p.c.

The income from a new manufacturing or processing business established in certain designated areas of slower growth by an individual or corporation during the period commencing on Dec. 5, 1963 and terminating on Mar. 31, 1967 is eligible for a three-year exemption from income tax.

Corporation Income Tax

The Income Tax Act levies a tax upon the income from everywhere in the world of corporations resident in Canada and upon the income attributable to operations in Canada of non-resident corporations carrying on business in Canada. In computing their income, corporations may deduct operating expenses including municipal real estate taxes, reserves for doubtful debts, bad debts, and interest on borrowed money. They may not deduct provincial income taxes other than provincial taxes on income derived from mining operations. (For this purpose "income from mining operations" is specially defined.)

Regulations covering capital cost allowances (depreciation) permit taxpayers to deduct over a period of years the actual cost of all depreciable property. The yearly deductions of capital cost allowances are computed on the diminishing balance principle. (Taxpayers engaged in farming and fishing may choose between this and the straight-line method.)