The following statement shows what taxpayers pay (1968) 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	9	4
	1,500	35	16
	2,000	79	36
	2,500	149	56
	3,000	223	76
	5,000	595	156
	10,000	1,907	240
	20,000	6,091	240
	50,000	21,545	240
	100,000	51,435	240
Married taxpayer—no dependants	2,200	9	4
	2,500	35	16
	3,000	79	36
	5,000	398	116
	10,000	1,596	240
	20,000	5,619	240
	50,000	20,995	240
	100,000	50,785	240
Married taxpayer—two children eligible for family allowances	2,800	9	4
	3,000	26	12
	5,000	291	92
	10,000	1,432	240
	20,000	5,335	240
	50,000	20,665	240
	100,000	50,395	240

The income taxes shown above are the combined federal and provincial taxes in all provinces where the provincial tax is the same as the federal abatement (i.e., in all provinces except Quebec, Manitoba and Saskatchewan). In Quebec the provincial tax approximates the federal abatement; in Manitoba and Saskatchewan the provincial tax exceeds the abatement by five percentage points.

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 normal 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.) Published regulations establish a number of classes of property and maximum rates. There is provision for recapture of any amount allowed in excess of the ultimate net capital cost of any asset.

Expenditures on scientific research related to the business of the taxpayer may be written off for tax purposes in the year when incurred.

Taxpayers operating mines, oil wells, gas wells and wells for extracting potash by the solution method are allowed a depletion allowance, usually computed as a percentage of profits derived from mineral, oil or gas production, which continues as long as the mine or well is in operation. This allowance is in addition to capital cost allowances on buildings, machinery and similar depreciable assets used by the taxpayer and the deduction of explora-