

Taxes on 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 taxation. Beer and wine may be sold by retailers or government stores, depending on the province, but in all cases these sales 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.

Newfoundland imposes a tax on tobacco sold at retail of one quarter of one cent per cigarette purchased; from one to five cents per cigar, depending on price; and one cent per half ounce or less of other tobacco. Prince Edward Island's tax on tobacco sold at retail is 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. Nova Scotia charges a 5-p.c. hospital tax on all alcoholic beverages. Saskatchewan's tax on retail tobacco sales is one fifth of one cent per cigarette purchased; from one to five cents per cigar, depending on price; and one cent on every half ounce of other tobacco; the average rate of the tobacco tax is 10 p.c. Specific sales taxes on tobacco products are also levied in New Brunswick, Quebec, Manitoba and Ontario.

Retail Sales Taxes

Retail sales taxes are levied on the final purchaser or user and are collected by the retailer. All provinces except Alberta levy this type of tax at rates varying from 5 p.c to 8 p.c. These direct levies apply to tangible taxable commodities sold, with varying exemptions, for consumption in the province and to a few selected services, for example: to telephone services in all provinces; in Quebec to telecommunications, meals and hotel and motel charges; in Newfoundland, since January 1967, to consumers engaged in the construction of the Northumberland Strait Crossing; and in Manitoba to a broad range of services including dry cleaning, furniture repairs, motel accommodation, etc. The sales taxes do not apply to goods sold for delivery in other provinces or to exported commodities. All provinces imposing sales taxes provide comprehensive exemptions for foodstuffs and drugs.

Amusement Taxes

Each of the provinces with the exception of Alberta, Saskatchewan, British Columbia and Quebec 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 15 p.c. In Newfoundland it is five cents per admission regardless of the admission price.

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.....	20	20	Ontario†.....	16	22
Prince Edward Island**	18	18	Manitoba.....	17	20
Nova Scotia.....	19	27	Saskatchewan†.....	15	18
New Brunswick.....	18	23	Alberta.....	12	14††
Quebec.....	16	22	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".

** Gasoline and diesel fuel used by primary producers—farmers, fishermen, manufacturers and processors—is exempt from tax as is also gasoline and motor fuel used by owners or operators of registered pleasure craft and skitows, and that used by consumers engaged in the construction of the Northumberland Strait Crossing.

† Some relief from taxation is given where gasoline or fuel oil is used for farming, manufacturing, commercial fishing and other off-highway purposes.

† Gasoline and diesel fuel used by farmers in farm trucks are exempt from tax.

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