

offset the increase of sales tax from the 5% to the 10% rate. Prince Edward Island imposes a tax of 10% on all beer, wine and spirits sold at retail, collected under authority of the Health Tax Act.

All provinces impose special retail taxes on the sale of tobacco products. The rates of tax per cigarette are as follows: Newfoundland, 1 cent; Prince Edward Island, Nova Scotia, New Brunswick, Quebec and Manitoba, 3/5ths cent; Ontario, 23/50ths cent; and Saskatchewan, Alberta and British Columbia, 8/25ths cent. In addition, the provinces impose special taxes on cigars and cut tobacco.

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 as follows: Newfoundland and Nova Scotia, 7%; Prince Edward Island, New Brunswick and Quebec, 8%; and Manitoba, Saskatchewan and British Columbia, 5%. Ontario has a dual rate structure. A rate of 5% is charged on most taxable items; 10% is charged on amusement, meals over \$2.50 and beer and spirits. 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 Prince Edward Island, to laundry and dry cleaning services, to accommodations, and to repair and installations labour; in New Brunswick, to telecommunications, to meals and hotel and motel charges and to laundry and dry cleaning charges; 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; in Quebec and New Brunswick, pharmaceutical products are exempt only when sold on prescription. In British Columbia, a 5% levy on accommodations is made under the Hotel and Motel Room Tax Act.

Amusement taxes. Each of the provinces with the exception of Newfoundland, Alberta, Saskatchewan and British Columbia has a tax on admission to places of entertainment. In Quebec, this tax is payable on race course admissions only. 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% to 15%.

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 15 cents per gallon in Alberta and British Columbia to 21 cents in Prince Edward Island and 25 cents in Newfoundland. The amount of tax borne by one gallon of gasoline and diesel fuel, respectively, in each province is: Newfoundland 25 cents, 25 cents; Prince Edward Island 21 cents, 25 cents; Nova Scotia 21 cents, 27 cents; New Brunswick 20 cents, 23 cents; Quebec 19 cents, 25 cents; Ontario 19 cents, 25 cents; Manitoba 17 cents, 20 cents; Saskatchewan 19 cents, 21 cents; Alberta 15 cents, 17 cents; British Columbia 15 cents, 17 cents.

Certain qualifications apply to the above taxes. In Prince Edward Island, gasoline and diesel fuel used by primary producers — farmers, fishermen, manufacturers and processors — are exempt from tax as are also gasoline and motor fuel used by owners or operators of ski-tows, and that used by consumers engaged in the construction of the Northumberland Strait Crossing. In Quebec and Ontario, some relief from taxation is given where gasoline or fuel oil is used for farming, manufacturing, commercial fishing and in stationary engines. In Manitoba, exemptions or refunds are allowed on fuel used in operating agricultural machinery, farm trucks and municipal fire apparatus, and in trapping, fishing and prospecting; diesel fuel for off-highway use is taxable at 20 cents per gallon at the time of purchase but a refund of 15 cents per gallon is subsequently allowed to the purchaser. In Saskatchewan, gasoline and diesel fuel used by farmers in farm machinery and trucks are exempt from tax. In Alberta, tax on fuel for domestic heating is three cents less than shown; gasoline and diesel fuel used in aircraft, motor boats, snowmobiles and off-highway internal combustion engines are taxed at three cents per gallon and exemption is allowed for other uses, including farm trucks and machinery. In British Columbia the net tax rate (after refund) on gasoline used in logging trucks off highway, in certain power units of motor vehicles for stationary industrial use and in vehicles used by certain handicapped persons, on motor fuels coloured purple for certain off-highway use (including marine) and on aviation fuels is three cents per gallon; on motor fuels coloured purple used by bona fide farmers and commercial