

Tax on premium income of insurance companies. All ten provinces impose a tax of 2% on the premium income of insurance companies relative to risks incurred in the province; in Alberta, this tax is imposed on the direct written business after deducting dividends and refunds. Saskatchewan imposes a tax of 1% on the motor vehicle premium income of insurance companies to finance a comprehensive high school driver-training program.

Succession duties and gift taxes. All the provinces except Alberta levy succession duties. These duties are a tax upon a succession to property of a deceased person by his beneficiary. Ontario, Quebec and British Columbia collect their own succession duties. The four Atlantic Provinces and Manitoba and Saskatchewan reimposed succession duties with effect from January 1, 1972; however, Prince Edward Island repealed this legislation effective January 1, 1973. The duties are collected by the federal government as agent under three-year collection agreements.

All the provinces except Alberta levy a gift tax. This is a tax on the total value of gifts made in the year by a living person resident in the province. It is intended primarily to protect the revenue from succession duties. For all provinces, except Quebec and Alberta, the tax will be collected by the federal government as agent under collection agreements. Quebec administers its own gift tax.

Provincial property taxes. In unorganized (non-municipal) areas, British Columbia levies property taxes at varying rates according to class for provincial revenue. Improved, forest and tree-farm lands are taxed at 1% of assessed value; farm land at one half of 1%; wild land at 3%; coal land at 2% (non-operating) or 7% (operating); and timber land at 1½%. In unorganized (non-municipal) areas, Ontario levies a property tax of 1½% of assessed value; the minimum annual tax in respect of any land is \$6. New Brunswick levies a tax of \$1.50 per \$100 market value assessment on all land and buildings in the province and a similar tax on business occupancy, as a source of provincial revenue. Prince Edward Island levies a tax of \$1.10 per \$100 market value assessment on all land and buildings in the province and a similar tax on business occupancy. Farm land owned and cultivated by a bona fide farmer has a special farm assessment instead of market value assessment.

Race track taxes. Ontario levies a tax on operators of race meets and on holders of winning tickets issued under the pari-mutuel system. Holders of winning tickets must pay a tax equal to 7% of the amount that would be payable to them if no percentage were deducted by the person holding the race meet. A number of other provinces levy a pari-mutuel tax on money bet in the province on horse races: in Newfoundland the rate is 11%; in Prince Edward Island 11½%; in Nova Scotia 11% on the first \$400,000 wagered and a reduced percentage on any additional money wagered (some of this money is refundable to the individual race tracks); in New Brunswick 11% less commission of 8%; in Manitoba 10% less commission of 15% on the first \$10 million and 5% thereafter; in Alberta 5%; in Saskatchewan 10%; and in Quebec 7% on ordinary pools and 9% on special pools (quinella and daily-double). In British Columbia the tax is 8% of which 1% is earmarked to increase the purses of horses bred, born and raised in British Columbia.

Miscellaneous provincial taxes. In Newfoundland a tax of 7% is levied on premiums paid for all types of insurance except life, accident and sickness, and marine; and a telegraph tax is levied on companies operating cables or wireless stations between Newfoundland and points outside the province at the yearly rate of \$4,000 per cable or station.

In Prince Edward Island a fire marshal's tax is levied at the rate of three fourths of 1% on premiums paid for fire insurance. In Nova Scotia a fire marshal's tax is levied at the rate of one half of 1% on premiums paid for fire insurance in the province. A tax is also levied on long-distance telephone calls at the rate of five cents on the first 50 cents with a five-cent minimum and five cents on each additional 50 cents, applying only to calls made within the province.

20.6.3 Local taxes

Municipalities in Canada levy taxes on the owners of property situated within their jurisdiction according to the assessed value of such property. Methods of determining assessed value vary widely but for taxation purposes it is generally considered to be a percentage of the actual value or, as in Nova Scotia and New Brunswick, of the actual market value. The revenues from such taxes are used generally to pay for street maintenance, schools, police and