

Gasoline and diesel fuel oil taxes. Each of the 10 provinces imposes a tax on the purchase of gasoline by motorists and truckers. The rates vary from 10 cents a gallon in Alberta 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 15 cents, 18 cents; Saskatchewan 12 cents, 16 cents; Alberta 10 cents, 12 cents; British Columbia 15 cents, 17 cents.

A number of activities are exempt or partially exempt from motive fuel taxation. Generally speaking, these pertain to gasoline and diesel fuel used by producers of primary products, commercial fishermen and municipal governments.

Motor vehicle licences and fees. Each province levies a fee on the annual registration of motor vehicles, which is compulsory. Upon registration, a vehicle is issued with licence plates. The rates of fee vary from province to province and, in the case of passenger cars, may be assessed on the weight of the vehicle, the wheel base, the year of manufacture, the number of cylinders of the engine, or at a flat rate. The fees for commercial motor vehicles and trailers are based on the gross weight for which the vehicle is registered, i.e. the weight of the vehicle empty plus the load it is permitted to carry. Every operator or driver of a motor vehicle is required to register periodically and pay a fee for a driver's licence. The licences are valid for periods of from one to five years and the fees vary from \$1 to \$7 a year.

Taxes and royalties on mining, oil and natural gas production. All provinces except Prince Edward Island levy taxes or royalties on the net income from mining operations and petroleum and natural gas production. Newfoundland, Manitoba, Saskatchewan, Alberta and British Columbia also impose a tax on the assessed value of minerals.

Mining operations in Newfoundland, with the exception of iron ore which is taxed separately, are subject to a tax of 5% on net income. Nova Scotia places specific taxes on income derived from various levels of mining production. The tax levied by New Brunswick ranges from 8% to 12% on the profits of mining companies. Quebec imposes a tax ranging from 9% to 15% on the net profits of mining companies in excess of \$50,000. Ontario's tax on the profits of mining companies varies from 0% on the first \$100,000 to 40% on profits over \$40 million. Manitoba imposes a flat rate of 23% if mining profits exceed \$50,000; for lesser profits the tax is 6%. Saskatchewan levies a tax ranging from 5.0% to 12.5% on the net profit of mining companies (metallic metal and uranium). British Columbia's rate of mining taxation is 2.5% of the value of designated minerals sold, disposed of, or used by a producer.

Saskatchewan, Alberta and British Columbia impose substantial royalties on oil (both crude and synthetic), natural gas and its by-products, and a number of other minerals of lesser importance.

Tax on logging operations. Quebec and British Columbia levy a tax on income from logging operations of individuals, partnerships, associations or corporations. In these two provinces the rate of taxation is 10% on net income in excess of \$10,000 (if the net income is greater than \$10,000 the whole amount is taxable with no basic exemption). In Quebec, 33.3% and in British Columbia, 20% of the tax is allowed as a deduction from provincial corporation income tax or, in Quebec, from the provincial income tax. For both provinces, 66.7% of the provincial tax is deductible from federal income tax.

Business taxes. Quebec, Ontario and British Columbia are the only provinces to impose a tax on paid-up or utilized capital of corporations which operate within their boundaries. The rate for Quebec and Ontario is one fifth of 1% while British Columbia's is one tenth of 1%.

Quebec has a place-of-business tax which is generally \$50 but is reduced to \$25 when the paid-up capital is less than \$25,000; in the case of loan companies, the tax is \$100 when fixed capital exceeds \$100,000. Quebec also levies special taxes on certain kinds of companies such as banks, railway, express, trust, sleeping-car, parlour-car and dining-car companies.

Prince Edward Island charges special annual licence fees to most insurance companies, banks, acceptance companies, chain theatres and chain stores, steamship companies, telephone, telegraph and electric light companies and brokers, as well as nominal licence fees to unincorporated companies, the latter being similar to filing fees in other provinces.

Land transfer taxes. Ontario levies a tax based on the price at which ownership of land is transferred. The tax for Canadian residents is three tenths of 1% on the purchase up to