

income for purposes of provincial tax follows closely the federal rules. Seven of the 10 provinces levy corporate income taxes at rates in excess of the 10% abatement allowed by the federal government. The rate that applies in Alberta is 11%; in British Columbia, Saskatchewan, Ontario and Quebec, 12%; and in Newfoundland and Manitoba, 13%. All provinces except Ontario and Quebec have signed agreements for the collection of the corporation income taxes by the federal government.

Succession duties. The provinces of Quebec, Ontario and British Columbia have been imposing and collecting succession duties for a long period of time, and began to levy a gift tax in 1972 when the federal government withdrew from the estate and gift tax fields. Since the latter were shared with the provinces, whether or not they themselves levied succession duties, the federal withdrawal from these fields of taxation meant a potential loss of revenue to provinces without succession duties. For such provinces the federal government agreed to collect for three years any succession duties and gift taxes they might wish to levy.

Quebec, Ontario and British Columbia maintained their own systems, but the two latter provinces chose to have their gift tax collected by the federal government. Of the remaining provinces, with the exception of Alberta which has no succession duties or gift taxes, only Manitoba and Saskatchewan are still levying succession duties and gift taxes in 1974, for which the federal government is the collecting agent. The other four provinces which had enacted succession duty and gift legislation in 1972, rescinded their related statutes in 1973 or in the spring of 1974.

Provincial succession duties consist of levies on the value of the inheritance left by a deceased person. Two rates are normally applied: one which increases in relation to the total value of the estate, and one which varies according to the value of the inheritance received by each heir. Basic abatements and exemptions take into account the degrees of affinity of the heirs to the deceased.

Hospitalization and medical care insurance premiums. Three provinces and one territory were still levying premiums in 1974 and one province a payroll tax and a special income tax toward financing the provincial share of their hospitalization and medical care programs. In the other provinces, the provincial share of these programs is financed through their general revenue funds. Ontario has combined hospitalization and medical care insurance premiums into monthly rates of \$11.00 for single persons and \$22.00 for a family. No premiums are paid by welfare recipients or by persons 65 years of age and over. In Alberta, hospitalization and medical care annual premiums are combined and are set at \$69.00 for single persons and \$138.00 for families. Persons aged 65 and over do not pay premiums nor do welfare recipients or residents with no taxable income. Only the medical care program is financed through premiums in British Columbia at a monthly rate of \$5.00 for single persons, \$10.00 for a family of two and \$12.50 for a family of more than two persons. The province subsidizes 90% of the premiums of persons with no taxable income and 50% for persons with a taxable income not in excess of \$1,000 in the previous year. In the Yukon Territory, medical care premiums are on a monthly basis as follows: \$5.00 for single persons, \$10.00 for a family of two and \$12.50 for a family of more than two persons. The Yukon Territory subsidizes 100% of the premiums of persons with no taxable income, 50% of the premiums of single persons with taxable income of less than \$500, of families of two persons with taxable income of less than \$1,000 and of families comprising more than two persons with taxable income less than \$1,300. Quebec finances its medical care program through a payroll tax at a rate of eight tenths of 1% of gross salaries paid by employers and through a special income tax of eight tenths of 1% on the net income of individuals. In the latter case, the maximum annual amount is \$125, if at least three quarters of the net income is made up of salaries; in other cases the maximum payable is \$200. The hospitalization program is financed through the province's general revenue fund.

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: Nova Scotia, 7%; Newfoundland, Prince Edward Island, New Brunswick and Quebec, 8%; Manitoba, Saskatchewan and British Columbia, 5%. Ontario has a dual rate structure: 7% (5% from April 8 to December 31, 1975) is charged on most taxable items; 10% on amusement, meals over \$4, beer and spirits. These levies apply to tangible taxable commodities sold, with varying exemptions, for consumption in the province and to a few selected services, for