

example: to telephone services in all provinces; in Quebec, to telecommunications, in Prince Edward Island, to laundry and dry-cleaning services, to accommodations, and to labour costs of repairs and installations; in New Brunswick, to telecommunications, to meals, hotel and motel charges and to laundry and dry-cleaning charges; and in Manitoba, to a broad range of services including 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 and 8% in Quebec under the Meals and Hotels Tax Act.

Amusement taxes and race track 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 collected by the municipalities which retain the proceeds. The tax on admissions is 10% or 11%. In addition, all provinces either under the same statutory authority or separate statutes tax money wagered on horse races. The rates of taxation are as follows: Newfoundland, Nova Scotia and New Brunswick, 11%; Prince Edward Island, 11.5%; Manitoba and Saskatchewan, 10%; Alberta, 5%; Quebec, 7% on ordinary pools and 9% on special pools; Ontario, 7% (a tax of 7% is also levied on the amount gained from a winning ticket). In British Columbia the tax is 8% of which 1% is earmarked to increase the racing purses for horses bred, born and raised in British Columbia.

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 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.