

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 one twentieth of 1% on paid-up capital stock and moneys invested in Quebec, with a minimum amount of \$100. 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 \$35,000 and six tenths of 1% on anything in excess of that amount; for non-residents the tax is 20% of the purchase price. In addition, Ontario levies a tax of 50% on the increase in value (between April 9, 1974 and the date of sale) on the sale of designated land (all real property except Canadian resource property). In Alberta, the fee imposed for the transfer of land is one fifth of 1% of the value of the land transferred up to \$5,000, and one tenth of 1% on the additional value when it exceeds \$5,000. British Columbia and Saskatchewan do not have a land transfer tax but have an equivalent in land title fee which is based on land value.

Tax on premium income of insurance companies. As at January 1, 1974, all 10 provinces impose a tax on the premium income of insurance companies. Ontario imposes a tax of 2.5% on the premium income from insurance covering property, fire, inland transport, livestock, plate glass, sprinkler leakage, theft and weather. Premium income from other insurance is taxed at the rate of 2%. British Columbia levies a tax of 2% on gross premiums and 5% on the premiums paid to unlicensed insurers or reciprocal exchanges. All the other provinces tax premium income at the rate of 2%.

Provincial property taxes. Provincial property taxes are levied by New Brunswick at the rate of 1.5% of fair market value on all land and buildings in the province; the same rate of tax is also imposed on business. Prince Edward Island has in operation a program somewhat similar to that of New Brunswick. A tax of 1% is imposed on the fair market value of all real property in the province; a further 1% is assessed against the fair market value of business property. Ontario imposes a property tax of 1.5% of assessed value with a minimum tax of \$6 in respect of any land in unorganized (non-municipal) areas. British Columbia also imposes a property tax in unorganized (non-municipal) areas at varying rates ranging from one half of 1% of the assessed value of farm land to 7% for (operating) coal land. Yukon Territory levies a property tax on the fair value of all real property (non-municipal) at a rate determined each year.

20.6.3 Local taxes

For purposes of financial statistics local governments can be classified into three principal categories — municipalities, local school authorities and special purpose authorities. Consequently, local taxes described below are levied by either one of these entities or by all of them depending upon the taxing powers granted to each of them by their respective provincial legislatures. For more than a century, the main source of revenue of local governments has been related to real properties within their jurisdictions. Various taxes have been gradually implemented to supplement the real property tax from which, however, they still derive the bulk of their revenue.