

may be found in the *Public Accounts of Canada*. They are summarized by standard classification in Statistics Canada publication *Federal government finance* (Catalogue No. 68-211).

### 20.2.2 Individual and corporation taxes

Statistics of income tax collections are gathered at the time the payments are made and are therefore up to date. Over 85% of individual taxpayers are wage- or salary-earners who have almost the whole of their tax liability deducted at the source by their employers. All other taxpayers are required to pay most of their estimated tax during the taxation year. Thus, the greater part of the tax is collected during the same year in which the related income is earned and only a limited residue remains to be collected when the returns are filed. The collections for a given fiscal year include employer remittances of tax deductions, Canada Pension Plan contributions, unemployment insurance premiums and instalments, embracing portions of two or more taxation years, and year-end payments; they cannot therefore be closely related to the statistics for a given taxation year. As little information about a taxpayer is received when the payment is made and as a single cheque from one employer may frequently cover the tax payment of hundreds of employees, the payments cannot be statistically related to taxpayers by occupation or income. Descriptive classifications of taxpayers are available only from tax returns, but collection statistics, if interpreted with the current tax structure and the above factors in mind, indicate the trend of income in advance of the final compilation of statistics. The statistics given in Table 20.8 pertain to revenue collections by the Department of National Revenue, Taxation. The collections are for fiscal years ended March 31.

Individual income tax statistics collected by the Department of National Revenue, Taxation are presented in Tables 20.9 - 20.11 on a calendar-year basis and are compiled from a sample of all returns received. Taxpayers and amounts of income and tax are shown for selected cities and by occupational class and income classes.

Statistics on the taxation of corporate income showing a reconciliation of income taxes to taxable income and book profits are published on an industry basis by Statistics Canada. Data for 1972 and 1973 are summarized for nine industrial divisions in Table 20.13. Income data are also available on a provincial basis, as shown in Table 20.12 for years 1969 to 1973.

### 20.2.3 Excise taxes

Excise taxes collected by Revenue Canada, Customs and Excise, are given for the years ended March 31, 1973 to 1975 in Table 20.14.

Gross excise duties collected for the year ended March 31, 1975 were: spirits \$311.9 million; beer or malt liquor \$178.3 million; tobacco, cigarettes and cigars \$258.2 million; licences \$32,514; for a total of \$748.4 million. A drawback of 99% of the duty may be granted when domestic spirits, testing not less than 50% over proof, are delivered in limited quantities for medicinal or research purposes to universities, scientific or research laboratories, public hospitals or health institutions in receipt of federal and provincial government aid.

## 20.3 Federal-provincial fiscal relations

Fiscal relations between the federal, provincial and territorial governments take various forms and are governed either by an act of Parliament or by formal agreement. Through the equalization program the federal government enables the provinces to provide an adequate level of public services; under Tax Collection Agreements it acts as a tax collecting agent for some provinces; and under other arrangements the federal government shares in the financing of certain programs. These three types of arrangement, general purpose transfer payments, tax collection agreements and specific purpose transfer payments, are covered in this section.