

from 15% on the first \$25,000 to 50% on gifts in excess of \$200,000. There are exemptions for gifts made to a spouse or charitable organization, deductions for gifts made to other donee up to an aggregate annual amount, and credits for the tax levied by other jurisdictions on property situated outside the province. The responsibility for the assessment and collection of this tax was transferred to the provinces of Ontario, Manitoba, Saskatchewan and British Columbia effective October 31, 1975 when the federal government administration agreements ended. Quebec also collects its own gift tax.

Succession duties. Succession duty is levied on property of the deceased situated in a province regardless of where the deceased was domiciled at the time of death as well as on the dutiable value of property passing to the beneficiary who is a resident in a province. The rate depends on the net value of the whole estate wherever situated, the amount of property passing to the beneficiary, and the relationship of the beneficiary to the deceased.

The federal government withdrew from the death tax field as of December 31, 1971. Since the federal estate tax had been shared with the provinces whether or not they themselves levied succession duties, the federal withdrawal from this field 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 they wished to levy. Quebec, Ontario and British Columbia which had been imposing succession duties maintained their own system. The remaining provinces (with the exception of Alberta) enacted succession duty tax legislation with effect on January 1, 1972. Prince Edward Island, New Brunswick, Nova Scotia and Newfoundland have subsequently rescinded their legislation. Since January 1, 1975, Manitoba and Saskatchewan have been administering their own succession duties.

Provincial sales tax. All provinces except Alberta impose a retail sales tax on a wide range of consumer goods and services purchased or brought into the province. It is collected by vendors who, acting as agents, remit the tax to the provincial governments for a commission. To conform to the constitutional limitations, provincial taxation must not only be direct but also must be within the province. Consequently, under provincial acts the consumer must pay a tax on the fair market value of goods purchased for consumption and not for resale. Any purchase of goods outside the province for use inside the province is taxable, but the tax is not applicable to goods sold for delivery in other provinces or to exported commodities. Each act, however, specifies a number of items which are exempt; these relate mainly to the necessities of life and material used in the farming or fisheries industries. Provincial tax rates are as follows: Newfoundland, 10%; Prince Edward Island, Nova Scotia, New Brunswick and Quebec, 8%; Ontario and British Columbia, 7%; Manitoba and Saskatchewan, 5%.

Gasoline and diesel fuel oil taxes. Each province and both territories impose a tax on the purchase of gasoline and diesel fuel by motorists and truckers and other fuel intended to generate motive power. 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.

Tobacco taxes. A tax on consumers of tobacco products is levied in all provinces and both territories. Cigarettes are taxed on a unit basis at rates ranging from eight twenty fifths of one cent per cigarette in Alberta and the Northwest Territories to one cent each in Newfoundland. The tax on cigars is calculated as a percentage or an amount based on the final selling price. These taxes are usually collected at the wholesale level to facilitate collection and administration but may also be collected by retail dealers acting as collection agents of the province.

Amusement taxes and race track taxes. Each province with the exception of Newfoundland, Alberta and British Columbia has a tax on admission to places of entertainment. In Quebec, this tax is collected by the municipalities which retain