

the proceeds even though the rate is determined by an act of the provincial government. In Manitoba and Saskatchewan the province does not levy the tax but has given the right to impose an admissions tax to its municipalities. In addition, all provinces levy a tax on all legal wagering on horse races in the province. The federal government also has a Pari-Mutuel-Levy ranging from 0.5% to 1.0% on monies wagered which is for the supervision of race tracks.

Tax on premium income of insurance companies. All provinces and the Yukon Territory impose a tax on the premium income of insurance companies. Ontario imposes a tax of 3% calculated on gross premiums and an additional tax of .5% on the premium income from insurance covering property, fire, inland transport, livestock, plate glass, sprinkler leakage, theft and weather. British Columbia levies a tax of 2% on gross premiums and 5% on the premiums paid to unlicensed insurers or reciprocal exchanges. All other provinces tax premium income at the rate of 2%.

Tax on logging operations. Quebec and British Columbia levy a tax on income from logging operations of individuals, partnerships, associations or corporations. The rate of taxation is 10% in Quebec and 15% in British Columbia 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% of the tax is allowed as a deduction from provincial income tax. In British Columbia, as a result of the dual corporation income tax rate, the tax credit allowed from provincial corporation income tax is 44.4% of logging taxes paid for the small business portion and 29.4% for any remainder. The federal income tax also allows a credit which is the lesser of two thirds of the logging taxes paid to a province or 6% of the logging income earned in a province.

Hospitalization and medical care insurance premiums. While most provinces finance the provincial share of their hospitalization and medical care programs out of general revenue, some finance their share in part by premiums and the balance from general revenue. (For details see Chapter 5 Health, Section 5.2.2.) Three provinces and one territory levy premiums and one province a payroll tax and a special income tax to finance their share of the costs. Quebec finances its health programs through a payroll tax at a rate of 1.5% of gross salaries paid by employers and through a special income tax of 1.5% on the net income of individuals. In the latter case, the maximum annual amount is \$235, if at least three quarters of the net income is made up of salaries; in other cases the maximum payable is \$375. Since the new rates only came into force on June 1, 1976 the effective rate was 1.2% for 1976.

Ontario has a conjoint hospitalization and medical care insurance premium which is set at the monthly rate of \$16.00 for single persons and \$32.00 for a family. In Alberta the hospitalization and medical care premiums are also combined at a rate per month of \$6.40 for single subscribers and \$12.80 for families. Only the medical care program is financed through a premium in British Columbia at a monthly rate of \$7.50 for single persons, \$15.00 for a family of two and \$18.75 for a family of more than two persons. In the Yukon Territory, medical care premiums are on a monthly basis as follows: \$4.75 for single persons, \$9.25 for a family of two and \$11.00 for a family of more than two persons. The above rates are for persons who do not qualify for premium assistance. In many cases premiums are exempt for welfare recipients and persons 65 years of age or over or a province may subsidize a percentage of the premiums of residents with little or no taxable income.

Motor vehicle licences and fees. Each province levies a fee on the compulsory registration of a motor vehicle whereupon the vehicle is issued with licence plates. The fees 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