

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 final compilation of statistics. The statistics given in Table 22.8 pertain to revenue collections for fiscal years ended March 31, 1974-78.

Individual income tax statistics collected by the national revenue department are presented in Tables 22.17, 22.18 and 22.19 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 in *Corporation taxation statistics* (Statistics Canada Catalogue 61-208). Data for 1976, 1977 and preliminary data for 1978 are summarized for nine industrial divisions in Table 22.9. Taxable income data are also available on a provincial basis, as shown in Table 22.10 for years 1973 to 1977 and 1978 preliminary.

22.2.3 Excise taxes

Excise taxes collected by the customs and excise branch are given for the years ended March 31, 1976 to 1978 in Table 22.11.

Gross excise duties collected for the year ended March 31, 1978 were: spirits \$371 million; beer or malt liquor \$184 million; tobacco, cigarettes and cigars \$327 million, for a total of \$882 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.

22.3 Federal-provincial fiscal relations

Fiscal relations between the federal, provincial and territorial governments are governed either by an act of Parliament or by formal agreements. The British North America Act, 1867, the Public Utilities Income Tax Transfer Act, and the Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977 are the most important legislative measures under which fiscal transfers are paid by the federal government to the provinces. Payments under each of these acts are described below.

22.3.1 British North America Act

Under this act, which forms the written constitution of the country, the federal government pays to the provinces statutory subsidies consisting of contributions toward the support of provincial governments. These include an allowance per head of population, allowances for interest on debt and other special amounts which were agreed upon under the arrangements subsequent to the enactment of the constitution in 1867. Total federal payments under this act amounted to \$34.1 million in the fiscal year ended on March 31, 1978.

22.3.2 Public Utilities Income Tax Transfer Act

Pursuant to the Public Utilities Income Tax Transfer Act, the federal government turns over to the provinces 95% of the tax it collects from privately-owned public utilities on income which is attributable to the generation or distribution to the public of electrical energy, gas and steam. Payments amounted to \$46.1 million in the fiscal year ended March 31, 1978.

22.3.3 Federal-provincial fiscal arrangements

Federal-provincial fiscal arrangements originated at the end of World War II. The first agreements were implemented for the years 1947 to 1952, pursuant to the Dominion-Provincial Tax Rental Agreement Act. The 1947 agreements started the series of five-