

**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, with the exception of Alberta as of April 1, 1978. A number of activities such as farming, fishing, mining or logging are either exempt from motive fuel taxation or are taxed at a preferred rate.

**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 0.32 of one cent per cigarette in Alberta and Northwest Territories to 1.35 cents each in Newfoundland. The tax on cigars is calculated as a percentage or as 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, Manitoba, Saskatchewan, Alberta and British Columbia has a tax on admission to places of entertainment. In Quebec, this tax is collected by municipalities which retain 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 of one-half of 1% on monies wagered. This is for the supervision of race tracks.

**Tax on premium income of insurance companies.** All provinces and both territories 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 one-half of 1% on the premium income from property insurance. British Columbia levies a tax of 2% on gross premiums and 5% on the premiums paid to unlicensed insurers or reciprocal exchange. All other provinces tax premium income at the rate of 2%. Fire insurance comes under a separate act in each of the provinces and territories with the exception of Ontario and Manitoba.

**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 the tax credit allowed from provincial corporation income tax is 33.3% of logging taxes paid. The federal income tax also allows a credit which is the lesser of two-thirds of the logging taxes paid to a province or 6⅓ of the logging income earned in a province.

**Hospitalization and medical care programs.** Ontario, Alberta, British Columbia and Yukon levy premiums and Quebec a payroll tax, to help finance their hospitalization and medical care programs. The remaining provinces and territory finance the provincial share of their programs out of general revenue. (For details see Chapter 5, Health.)

**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 number of cylinders of the engine or at a flat rate for specified regions within a province or territory. The fees for commercial motor vehicles and trailers are based on the gross or curb weight for which the vehicle is registered, that is, the weight of the vehicle empty plus the load it is permitted to carry. Every operator or driver of a motor vehicle is required to register periodically and pay a fee for a driver's licence. The licences are valid for periods of from one to five years and the fees vary from \$1 to \$7 a year.

**Land transfer taxes.** Ontario levies a tax based on the price at which ownership of land is transferred. The tax for Canadian residents is 0.3% on the purchase up to \$35,000 and