

In addition to taxes on profits of mining operations, all provinces have provisions which enable them to receive royalties from the extraction of minerals including oil and gas.

**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.

**Land transfer taxes.** Ontario levies a tax based on the price at which ownership of land is transferred and a tax on the increase in value on the sale of designated land (all real property except Canadian resource property). New Brunswick levies a real property transfer tax on the value of real property transactions. Quebec levies a land speculation tax on the value of immovable property transferred to non-residents for purposes other than development. Municipalities may levy duties on immovable property transferred. In Alberta, a fee is charged proportional to the registered value of land. British Columbia and Saskatchewan do not have a land transfer tax but have an equivalent in land title fee which is based on land value.

## 22.6 Local government finance

Details for revenue and expenditure are given in Tables 22.21 and 22.22, with data on direct debt included in Table 22.23.

### 22.6.1 Local taxes

For purposes of financial statistics, local government is comprised of three principal categories — municipalities, local school authorities and special purpose authorities. Consequently, local taxes are levied by either one of these entities or

by all of them depending upon the taxing powers granted to each of them by their respective provincial legislatures. For more than a century, the main source of revenue of local governments has been related to real properties within their jurisdictions. Various taxes have been gradually implemented to supplement the real property tax from which, however, they still derive the bulk of their revenue.

**Local property tax.** Municipalities throughout Canada levy taxes on real properties situated within their boundaries. Generally speaking, they set the rates and collect the proceeds of their own levy and levies made on behalf of other local governments in their area, such as local school authorities. However, in most of Quebec outside the Montreal area and in the unorganized parts of Ontario, school boards levy and collect their own real property taxes directly.

The real property tax rate is generally expressed in mills (rate per \$1,000 of the base) or as a rate per \$100 of the base. This base is the assessed value of each property. Methods of determining assessed value vary widely not only among the provinces but also among municipalities within a province. However, for taxation purposes, assessed value is considered to be a percentage of actual market value.

**Business taxes.** Among other taxes that municipalities levy, business taxes rank next to the real property tax as a producer of municipal revenue. Such taxes are levied directly on the tenant or the operator of a business. The bases on which business taxes are levied are very diversified among the provinces. The most common in use are: a percentage of the assessed value of real property, the value of stock-in-trade, the assessed annual rental value of immovables and the area of premises occupied for business purposes.

**Water charges.** In general, municipalities recoup all, or part, of the cost of supplying water through special charges for water consumption. Such charges take various forms such as a charge based on the actual consumption of water, or a water tax based on the rental value of the property occupied.