

Succession Duties

The first imposition of succession duties in Canada was in 1892, when Nova Scotia, New Brunswick, Quebec and Ontario enacted legislation of this nature. Legislation was passed in the other provinces in the following years: Manitoba, 1893; Prince Edward Island and British Columbia, 1894; Saskatchewan and Alberta, 1905. The Federal Government first imposed succession duties in 1941. Current legislation is the Dominion Succession Duty Act (R.S.C. 1952, c. 89).

Table 23 shows the receipts of the various governments from this source from 1948.

In 1947, seven provinces—Prince Edward Island, Nova Scotia, New Brunswick, Manitoba, Saskatchewan, Alberta and British Columbia—withdraw from the succession-duty field. The seven provinces entered into agreements with the Federal Government to 'rent out' the succession-duty field for the period Apr. 1, 1947, to Mar. 31, 1952. Accordingly, in these provinces, the previous combination of federal and provincial succession duties was replaced by a single federal succession duty at double the previous federal level which, in most cases, resulted in a combined duty approximately the same as previously levied under the separate federal and provincial duties. On the other hand, the Provinces of Quebec and Ontario did not enter into the agreements but the doubled rates of federal duty were applied and were capable of being reduced up to one-half by a credit for the duty paid to these Provinces. The Yukon Territory in 1948, and the Province of Newfoundland in 1949, entered into a similar tax-rental agreement.

In 1952, the tax-rental agreements expired but new five-year agreements were negotiated with the same eight provinces which again elected not to cultivate the succession-duty field. The Province of Ontario also entered into an agreement on income tax, but elected to continue to cultivate the succession-duty field. Consequently, in all the provinces of Canada the situation in regard to succession duty is likely to be the same as that described above until Mar. 31, 1957.

23.—Federal and Provincial Net Revenue from Succession Duties, Years Ended Mar. 31, 1948-53

Province	1948	1949	1950	1951	1952	1953 ^b
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Federal.....	30,828	25,550	20,920	33,599	38,208	38,000
Provincial— ¹						
Newfoundland.....	—	—	²	²	²	²
Prince Edward Island.....	63	21	6	3	12	1
Nova Scotia.....	513 ^a	208 ^a	73 ^a	26 ^a	25	15
New Brunswick.....	432 ^a	53 ^a	46 ^a	6 ^a	1	1
Quebec.....	9,283	11,991	13,325	13,007	12,428	12,985
Ontario.....	17,945	15,995	14,978	17,828	21,652	18,500
Manitoba.....	403	92	32	28	15	2
Saskatchewan.....	509	121	23	127	30	—
Alberta.....	652	149	98	101	25	25
British Columbia.....	1,049	398	161	—	—	—

¹ Under terms of the 1947 and 1952 Dominion-Provincial Taxation Agreements, all provinces except Ontario and Quebec refrain from levying succession duties; amounts shown are arrears. ² Arrears

of pre-union death duties cannot be shown. ³ Fiscal year ended Nov. 30 of preceding calendar year.

⁴ Sixteen months. ⁵ Fiscal year ended Oct. 31 of preceding calendar year. ⁶ Seventeen months.