

20.—Federal and Provincial Net Revenue from Succession Duties, Years Ended Mar. 31, 1952-54—concluded

Province	1952	1953	1954
	\$'000	\$'000	\$'000
Provincial ¹ —concluded			
New Brunswick.....	1	6	—
Quebec.....	12,248	12,500	13,000
Ontario.....	21,652	19,500	16,500
Manitoba.....	15	2	3
Saskatchewan.....	30	44	—
Alberta.....	25	25	15
British Columbia.....	—	—	—

¹ Under terms of the 1952 Dominion-Provincial Taxation Agreements all provinces, except Ontario and Quebec, refrain from levying succession duties; amounts shown in other provinces are arrears. Provincial figures for 1953 are preliminary; figures for 1954 are estimates only.

Federal Duty.—Beneficiaries are divided into four classes, as follows:—

- (1) Widow or dependent child or dependent grandchild.
- (2) Husband; parent; grandparent; child over 18 years of age, not infirm; son- or daughter-in-law.
- (3) Lineal ancestor other than parent or grandparent; brother, sister or their descendant; uncle or aunt or their descendant.
- (4) Others.

No duty is payable on estates not exceeding \$50,000, or on bequests of up to \$1,000 to any one individual, nor is duty levied on gifts to the Federal Government or provinces, on residential property of certain diplomatic or consular officials, on pensions administered by the Canadian Pensions Commission or those payable by allied nations for war services, nor on insurance moneys or annuities if the person with whom the contract was made was domiciled outside Canada at the time of death. Provision is made for increased exemptions and reduced duties for those dying as a result of war service. Bequests to non-profit charitable organizations in Canada are exempt.

Widows are exempt up to \$20,000, dependent children to \$5,000 each and, where dependent children do not benefit, the widow's exemption is increased by \$5,000 for each child who does not benefit. For dependent orphaned children, there is a further exemption of \$15,000 (in addition to \$5,000) divisible proportionately among such orphans according to their number and the value of each individual benefit. Duty is payable on the excess only when the limit is passed, i.e., these exemptions are deductible exemptions.

Gifts made during the lifetime of the deceased are exempt if the transfer was carried out more than three years prior to his death and the recipient of such gifts secured full possession at the time of the transfer and the donor (the deceased), thereafter, did not retain any rights therein or secure any benefits therefrom.

If gift tax payable under the provisions of the Income Tax Act has been paid in connection with the transfer made by a deceased person during his lifetime then no succession duty is payable in respect of such gift except to the extent that succession duty thereon is in excess of the gift tax.

The difficulties of working out succession-duty tables to show the combined effects of federal and provincial duties are readily realized. The best that can be done here is to choose typical estates in the main classes laid down in the legislation and give examples of the combined duties applicable to them. This has been attempted in Tables 21, 22 and 23.