TOUR MICOME TAX

HOW? WHEN? WHERE? MHO 3 HOM WACH 3

THIS YEAR, almost every man and woman in Canada will share the burden of paying for the war. A million new taxpayers will pay who never paid before. A personal budget payment plan is available to old taxpayers who are faced with substantially increased income taxes.

Canadians are asked to shoulder their share of the war effort cheerfully and willingly. By paying your income tax regularly you help to speed the production of war material, and bring the day of victory closer. Figure out how much tax you will have to pay, and arrange to pay promptly when due.

Pay by instalments—the easy way—and save interest.

Cut out this page and keep it for future reference.



WHO PAYS INCOME TAX?

> If you are a single person without

dependents, and your income in 1940 was more than

\$750.00 you pay general-income-tax. If you are a married person without dependents, and your income in 1940 was more than \$1500.00 you pay

general-income-tax. If you are a married person with children, you are allowed \$400.00 exemption for each dependent child or grandchild, in addition to the \$1500.00 exemption.

NOTE: In addition to the general-income tax you pay National Defence Tax on your total income without any exemption if you are single and your income goes over \$600 or if you are married and your income goes over \$1,200.



HOW DO YOU PAY?

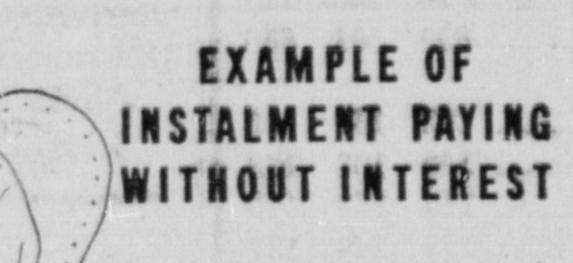
Your income tax may be paid in the following ways-

1. The Present Method: At least one-third of the tax to be paid by April 30th, the balance, with interest at 5% from April 30th, to be paid by August 31st. On any balance unpaid after August 31st, the interest rate will be 8%.

2. The Proposed Method: In 8 monthly instalments without interest. To take advantage of this new way of paying, the first instalment must be paid on or before January 31st. You must pay at least one-third of the estimated tax in four equal monthly instalments, in January, February, March and April, i.e. 1-12 of the estimated tax in each of the said 4 months. The remaining two-thirds must be paid in four equal monthly instalments in May, June, July and August, i.e. 1-6th of the estimated tax in each of the said 4 months. (This will be in the amended law.)

3. The Recommended Method: This method will not be found in the law but it is a simple method, namely, in eight equal monthly instalments, without interest, commencing in January.

To take advantage of the monthly payment plan without interest each payment must be made on or before the due dates. Otherwise interest will be charged on the total balance remaining unpaid after April 30th.



If your estimated tax is \$60.00 you pay one-third of the tax (\$20.00) in four in-

stalments (\$5.00 each) and the remaining two-thirds (\$40.00) in four instalments (\$10.00 each). Your payments are therefore as follows:

Before Before Before Before Before Before Jan. 31 Feb. 28 Mar. 31 April 30 May 31 June 30 July 31 Aug. 31 \$10 \$10=\$60

However it is recommended that you pay your tax

in eight equal monthly instalments of \$7.50 each -\$60.00.

Instalment Income Tax Remittance Forms are available at any post office, or any branch of any bank, or the office of the Inspector for your District, and their use

Rates of General-Income-Tax which Individuals Must Pay

If between \$250 and \$1000 the tax is \$ 15 plus 8% on the excess over \$ 250

" 2045

For higher incomes refer to the Income War Tax Act.

In addition to the above rates, there is a surtax on all investment

Also there is National Defence Tax and in some Provinces, Provincial

from your total income.

If your net taxable income is

7000 and 8000

income in excess of \$5000.

Income Tax.

Your net taxable income is the amount left after you deduct exemptions

will ensure accurate and proper allocation of your payment. However, you can send in your instalments by ordinary letter with your name and address plainly stated thereon, clearly indicating the division between / Provincial and Dominion Tax payments.



HOW MUCH DO YOU PAY?

The general-income-tax is payable on your net income less exemptions.

If you are single, your exemption is \$750.00. Thus if your total income is \$1,000.00 you must pay tax on \$250.00.

The exemption for a married person is \$1,500.00 plus \$400.00 for each dependent child or grandchild. Thus if you are a married man with two children and a total income of \$2,600.00 your total exemptions are \$1,500.00 plus \$400.00 for each child, or \$2,300.00 in all. So you pay tax on \$300.00.

Payment: You may send a cheque, Post Office or Money Order in payment of income tax by mail, to the Inspector of Income Tax for the District in which you reside, made payable to the Receiver General of Canada. Write plainly, and give your name in full, so that mistakes in crediting may be avoided. Do not send money or postage stamps in envelopes.

RATES OF NATIONAL DEFENCE TAX

For a single person

2% on the total income if the income exceeds \$600 and does not exceed \$1,200.00.

3% on the total income if the income exceeds

\$1,200.

9000

For a married person 2% on the total income if the income exceeds \$1,200 with a tax credit of \$8.00 for each dependent child or grandchild.

For 1940 the tax is on one-half of the income and the tax credit is \$4.00.



FURTHER INFORMATION

IMPORTANT TO EVERY INCOME TAX PAYER

To enjoy the advantages of the Interest-Free

You must pay the first instalment not later than January 31st, and pay regularly thereafter

Instalment Plan

Further information including the National Defence Tax Booklet and the necessary forms may be obtained from the Inspector of Income Tax for the district in which you reside.

Forms are now available. Form T.1 Special is to be used by individuals who are not in business whose income is not more than \$5000. All others must use regular form T.1, or in the case of farmers, Form T.1A. Proprietors in business must file, in addition to the Form T.1 Return, an Excess Profits Tax Return on Form E.P.T.1 on or before April 30th next.

DOMINION OF CANADA INCOME TAX DIVISION DEPARTMENT OF NATIONAL REVENUE

HON. COLIN GIBSON, Minister of National Revenue C. FRASER ELLIOTT, Commissioner of Income Tax