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Canada's First Income Tax Introduced

Soldiers Deserting in Large Numbers Leave Open Road for Enemy

Only At One Point, in Southern Carpathians, Are Russians Putting Up A Fight—Precipitate Retreat in Galicia—Stanislaw, Tarnopol, And Other Towns Taken By Teutons—French Again Repulse Crown Prince's Army On Aisne Front—Huns Make Small Gain From British.

(By Morning Bulletin Leased Wire)

LONDON, July 25.—Even the actual entry of women soldiers into battle on the eastern front has been insufficient to imbue the ranks of the recalcitrant Russians with patriotism. They are still deserting in large numbers in Galicia, leaving a virtually free road open for fresh advances by the Germans and Austro-Hungarians.

From the Baltic to the Black Sea only at one point along the long line—in the southern Carpathians—have the Russians risen to the occasion and shown some of their old fighting spirit. Here, fighting shoulder to shoulder with their Roumanian allies, they have attacked and captured several villages from the Germans and broken the heavily fortified Teuton line on a wide front.

Precipitate Retreat.

In Galicia the precipitate retreat of the Russians continues almost everywhere from the Carpathian foothills to the region around Tarnopol, the government apparently not yet having had time to put in force its strong repressive measures which M. Kerensky, the head of the government, has promised to apply in order to stay the debacle. Nadorna, in the fringe of the foothills, Stanislaw and Tarnopol, and numerous smaller towns have been taken by the Teutons who are now approaching the important railroad junction of Buczacz, which lies thirty miles east of Haliex. The German emperor was an observer of the battle on the marsh front and saw his men put down the only effort of moment that was made to hold them back—an attack by the Russians between Tarnopol and Trembowla.

Women's Notable Part

Since the penetration of the German lines near Kravov, in which the women took a notable part, despite which large numbers of the Russians precipitately retreated to their old positions without even the vestige of harassment by the enemy, the Russians have not stirred from their trenches to face the foe.

The hostilities on the Aisne front, where for weeks the Germans have wasted men by scores of ineffectual attempts to break through General Fain's front, have ceased, and only artillery duels are now in progress. Early Wednesday morning witnessed one of the last attempts of the crown prince to gain his objective. This was on the Californie Plateau, where an attack was completely repulsed.

Win from British

The Germans have been successful in winning two hundred yards of trenches from the British east of Monchy-Le-Franc, which they had bombarded for several days past. In the capture of the position the enemy again resorted to the use of liquid fire.

Along the front in Northern Belgium the heavy artillery duel continues, but as yet there has been no sign of either the British or the Germans starting an infantry attack. British airmen have bombed and caused severe damage to the German submarines base at Zeebrugge and also to the town of Bruges.

Shook Downcast

PETHORGHAL, July 25, via London.—Russian commissars who re-asserted discipline in the Seventh and Eighth armies, making possible the recent Russian offensive in Eastern Galicia, after witnessing the retreat of the Russians in the face of Austro-German attack, have sent their re-

HORACE PLUNKETT CHOSEN CHAIRMAN IRISH CONVENTION

(By Morning Bulletin Leased Wire)

C.P.R. MEN WILL NOT WORK WITH ENEMY ALIENS

Freight Handlers At Calgary Threaten Strike If Company Insists.

(By Morning Bulletin Leased Wire)
 CALGARY, July 25.—Freight handlers in the local C.P.R. yards three times today threatened strikes as a protest against the introduction of enemy alien labor by the C.P.R. as a result each time the aliens were removed.

The officials declare that enemy labor is necessary to enable traffic to pass at a meeting tonight freight handlers announced their decision to decline to work with aliens. The aliens sent to work today admitted they were Austrians. The officials told the men it was only a matter of twenty-five of them for ten days to clean up road work, but the men refused to work. They insist that Italians and Russians can be found if sufficient wages are offered.

RUSSO-ROUMAN ADVANCE WITH GEN. AVERESCO

Enemy Line in South Carpathians Broken On Extensive Front.

(By Morning Bulletin Leased Wire)
 PETROGRAD, July 25.—A report of the general staff of the Roumanian army received here today says:

In the south Carpathians troops under General Rafine Averesco resumed the offensive and occupied the villages of Maresci and Volochany and captured several hundred prisoners and 13 guns, including some heavy ones. We owe this success to the skillful maneuvering and close co-operation of the Roumanian and Russian forces and also to the vigorous activity of our allied artillery.

"The powerfully organized enemy line has been broken on an extensive front. The bravery and devotion of the troops was incomparable. Among other incidents one battery lost its entire personnel except seven men, who continued firing without cessation and finally succeeded in silencing the enemy's fire. Lieut. General St. Charbitchoff (commander of the Russian forces in Roumania) secured all these men with the St. George's Cross."

CONSERVATIVES ELECTED CHARLOTTETOWN, P.E.I., July 25.—Both the Conservative candidates were elected in the by-elections for the Prince Edward Island legislature held today. Premier Acheson was

HUN GENERALS FEAR TROOPS SURRENDER

Deliberately Create Impression That The British Kill Prisoners.

NUMBER OF DUGOUTS NOW BEING REDUCED

Canadians Cause Fourteen Explosions in Enemy's Battery Positions.

(By The Canadian Overseas Correspondent)

CANADIAN HEADQUARTERS IN FRANCE, July 25, via London.—The latest trick of the German official deceivers is a scudgy con, played at the expense of the German troops who have poured out their blood like water in defence of the Flanders.

In the Canadian mind of Monday morning it was noticed that occupants of the dugouts very generally refused to come up and surrender. Some who did mount the walls made a dash to overpower our bombers and died fighting. Evidence has now been found that there is a very general conviction among the German troops that the British kill all prisoners. Were it not for this the men would give themselves up much more readily. That this hideously false impression is deliberately fostered by German high command is a moral certainty.

Some time ago, in a cable dealing with the increasing tendency of south Canadian overseas correspondents to quote the opinions of commanding officers at the front had been asked as to whether a reduction in the number of dugouts in the first and support line would lessen surrenders. This reduction is now in process of being made, and in the new positions all the enemy dugouts are well back from the enemy front lines. As a further means of preventing surrenders the men are encouraged to resist capture by the spreading of the senseless lie that the British kill all their prisoners.

A heavy haze, accompanying a heat wave, has, during the past two days, caused a reduction in the artillery operations, but the work of trench destruction continues without interruption. Yesterday, on the Canadian front, fourteen explosions were seen in the enemy's battery positions, and two fires were caused.

2 WOMEN KILLED

SUB. SINKINGS FOR THE WEEK SHOW INCREASE

Twenty-One British Vessels Of Over 1,600 Tons Sent To The Bottom.

(By Morning Bulletin Leased Wire)
 LONDON, July 25.—Twenty-one British vessels of more than 1,600 tons each and three of less than 1,600 tons each, were sunk last week by mine or submarine, according to the weekly admiralty report of shipping losses. One fishing vessel was also lost. The announcement of the British admiralty given above shows an increase of seven vessels of more than 1,600 tons sent to the bottom as compared with the report of the previous week, when 14 were sunk. In the smaller category the losses are the same as those given in the report of the previous week—three—while there was a falling off by seven in the number of fishing vessels sunk.

FOREST FIRES AGAIN MENACE CORBIN TOWN

New Conflagration From South Rapidly Approaching Already Singed Town.

(By Morning Bulletin Leased Wire)
 FERNIE, B.C., July 25.—For a second time within forty eight hours the town of Corbin has been in danger of being obliterated by the forest fire raging in that vicinity.

The latest relayed message received here this evening announced that the fire was sweeping down the valley at an alarming speed and that residents of the town were beginning to vacate.

Only on Monday the town narrowly escaped and it was only due to the work of the large and big men engaged that the fire was diverted when the flames were scorching buildings on the outskirts. The fire fighters worked persistently and yesterday the welcome news was received that a change in climatic conditions favored three operations against the fire and that it was believed to be under control. The fears heretofore entertained were consequently allayed. The interruption of direct communication since Monday has made it difficult for any information to reach here other than brief reports of progress made which up to now have been very satisfactory.

It was therefore a shock that the startling news was received from Me-

Proposals Laid Before Commons by Sir Thos. White—Graduated Plan

Four Per Cent. On All Income of Unmarried Men And Widowers Without Children, Exceeding \$3,000, And Married Men On Income Exceeding \$3,000—In Addition There Will Be A Supertax Ranging From 3 To 25 Per Cent., Beginning At \$6,000—15 To 20 Millions Expected From Taxation.

(By Morning Bulletin Leased Wire)

OTTAWA, July 25.—In the commons today an income tax upon private individuals, corporations and stock companies, was announced, and the resolution setting forth the proposals was adopted. Tomorrow the bill based upon the resolution will be introduced. Sir Thomas White, the minister of finance, quite frankly stated that in the past he had been averse to the imposition of direct taxation of this nature by the federal authorities. He realized, however, that there was a growing demand for it and that the time had arrived when it should be imposed. Incomes of unmarried persons and widowers with no children up to \$2,000, and incomes of married persons up to \$3,000 are exempted. Dividends from the government securities are also exempted. The tax upon private individuals is graduated. All incomes of unmarried men above \$2,000 and married men above \$3,000 are taxed four per cent on the income in excess of that amount. On incomes exceeding \$6,000 there is a supertax commencing at two per cent on incomes from \$6,000 to \$10,000, and gradually increasing to 25 per cent on incomes exceeding \$100,000.

Corporations' Tax.

The tax on corporations and joint stock companies is four per cent on incomes above \$3,000. The tax will apply to incomes of the present calendar year, and everybody concerned will be expected to declare their income before February 28 next.

There was considerable discussion of the minister's proposals before the resolution was adopted. The principle of the new taxation being approved by A. K. MacLean, the chief opposition financial critic, and other opposition members. The majority of the Liberals who spoke said this tax should have been imposed before while K. M. Macdonald said it was not stiff enough in the case of men of large incomes. They would still have plenty left, he said to continue to live extravagantly.

Sir Thomas announced that when the present business tax expires the income tax will take its place. In the meantime the amount paid in business tax is deducted from the income tax of this year if the income tax is larger.

He said he expected to derive a revenue of from 15 to 20 million from the new taxation.

Soldiers' Bill

Third reading was given to the Soldiers' Settlement bill at the evening sitting of the house after it had been reported from committee. An amendment was adopted providing that the privilege of the bill be extended to those who being British subjects before the war resident in Canada had served with any of His Majesty's allies.

During the preliminary George McCraney, of Saskatoon, read a telegram from the secretary of the Returned Soldiers' association of Saskatchewan stating that the settlement of returned soldiers on the land was being retarded by the delay in the issue of patents. He asked the minister of the interior to facilitate this matter.

Hon. Dr. Roche assured him he would do so. Hon. Frank Cochrane, minister of railways, replying to a question by Hon. Rodolphe Lemieux, said that legislation respecting the Quebec and Saguenay Railway would be introduced this session.

Income and Spending.

July 25 has been \$13,162,000 or Ap-

Why do People Pay Income Tax?

- Federal and provincial governments require ALL residents to pay a % of their income in tax (with the exemption of people with income less than \$7,756 annually)
- These taxes are what pays for public services such as the legal system (including policing), roads, childcare subsidies, and more
- Canada has a progressive tax system, meaning people with higher incomes pay higher taxes
- In 2016:
 - Federal tax ranges from 15% - 33%
 - Provincial Tax ranged from 4% (ON) - 25.75% (NB)
 - Example: \$50,000 income – 30% in taxes = \$35,000

Federal tax rates for 2016

- 15% **on the first** \$45,282 of taxable income, +
- 20.5% **on the next** \$45,281 of taxable income (on the portion of taxable income over \$45,282 up to \$90,563), +
- 26% **on the next** \$49,825 of taxable income (on the portion of taxable income over \$90,563 up to \$140,388), +
- 29% **on the next** \$59,612 of taxable income (on the portion of taxable income over \$140,388 up to \$200,000), +
- 33% of taxable income **over** \$200,000.

British Columbia

5.06% on the first \$38,210 of taxable income, +
7.7% on the next \$38,211, +
10.5% on the next \$11,320, +
12.29% on the next \$18,802, +
14.7% on the amount over \$106,543

Paycheque Deductions

- Employers must withhold a portion of each employee's pay (this is the paycheque deduction) AND send it to the government so that the government will have money to operate throughout the year.
- Once a year, when completing their income tax return, tax payers can review their total paycheque deductions and claim back any excess that was collected (or pay any unpaid taxes).
- Must be filed by April 30th

What Happens When People Receive Income without Paycheque Deductions?

- All Canadian RESIDENTS are required to pay tax on all income. However, paycheque deductions don't apply to some sources of income including investment income, self-employment and contract work. In those cases, residents are required to report their own income, and may be required to submit tax instalments monthly or quarterly.

What is a Tax Return?

- Once a year, tax payers must file a report (a “return”) that shows all their income and how much taxes they have paid through paycheque deductions. This is due April 30th.
- If they have overpaid taxes, they will get some money back – that’s why we call it a “return”!
- If they have underpaid taxes, they will be required to pay the difference.
- The government will then check over all the returns and may require you to submit evidence of your finances for the past year (or even previous years!)

How Is a Tax Return Filled Out?

- On paper or electronically
- By yourself, an accountant or advisor, or possibly your parents

Canada Revenue Agency / Agence du revenu du Canada **T1 GENERAL 2011**
Income Tax and Benefit Return

Complete all the sections that apply to you in order to benefit from amounts to which you are entitled. For more information, see the guide. **ON 8**

Identification

Attach your personal label here. Correct any wrong information. If you are not attaching a label, print your name and address below.

First name and initial: Will. I. Am

Last name: Overtaxed

Mailing address: Apt No - Street No Street name: 99 Black Eye St.

PO Box: _____ RR: _____

City: Rapville Prov./Terr.: ON Postal code: _____

Information about you

Enter your social insurance number (SIN) if it is not on the label or if you are not attaching a label: _____

Year: _____ Month: _____ Day: _____

Enter your date of birth: _____

Your language of correspondence: English Français

Votre langue de correspondance:

Marital status

Tick the box that applies to your marital status on December 31, 2011:

1 Married 2 Living common-law 3 Widowed
4 Divorced 5 Separated 6 Single

Information about your spouse or common-law partner (if you ticked box 1 or 2 above)

Enter his or her SIN if it is not on the label or if you are not attaching a label: _____

Enter his or her first name: _____

Enter his or her net income for 2011 to claim certain credits: _____

Enter the amount of Universal Child Care _____

Information about your residence

Enter your province or territory of residence on December 31, 2011: _____

What Happens When People Don't Report Income OR file a false tax return?

- Tax inspectors have the right to inspect tax, income & other financial records to ensure the tax return is complete & accurate.
- If it's not, the tax payer can be assessed for any missing taxes, plus interest & penalties. (They can go back YEARS ... not just the current year).
- In serious cases, the taxpayer can be charged with tax evasion and, if found guilty, sent to jail and/or fined.

Tax Credits & Deductions Available to Students

- Students can claim a tax credit for the amount of their tuition.
- Full-time students can also claim an education amount of \$400 for EACH month they were registered in FULL time in an approved institution. The education amount is \$120 for each month for part-time students.
- Students may also be eligible for tax deductions like the cost of moving to another location to go to school (or even get a job). Low-income Canadians (including students) can claim a credit to offset a portion of the Goods and Services tax (GST) they've paid. Students over the age of 19 may be eligible for a credit on their own income.
- You must **KEEP RECEIPTS** to claim this.

What is an RESP?

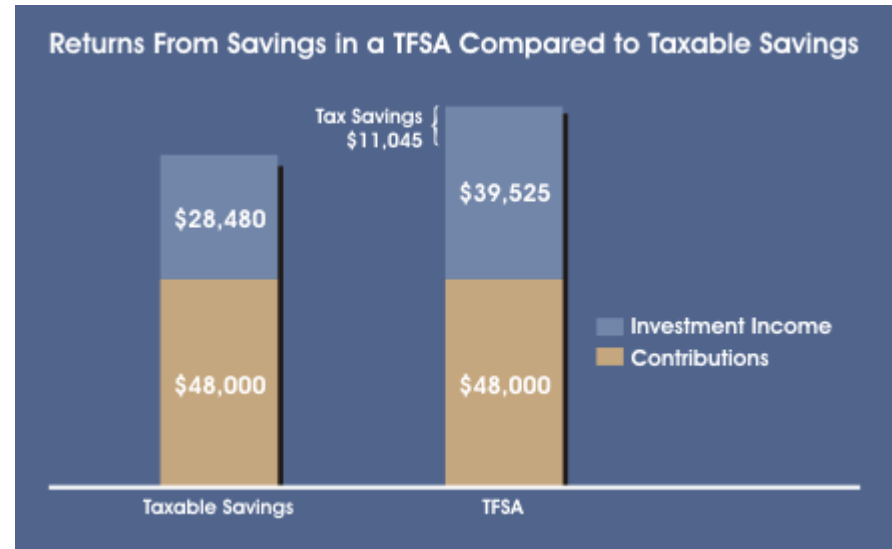
- Registered Education Savings Plan
- One way to save for your education AND get a tax break at the same time.
- If the income earned in RESP is withdrawn (for education) it's taxed as YOUR income (the student), no matter who deposited the money (such as your parents). It's likely to be tax-free because your income is low while taking your classes.
- If the income is withdrawn for any other reason, your contributor (such as your parents) would generally have to pay income tax with penalties on it.

What is an RRSP?



- Registered Retirement Savings Plan
- Gov. of Canada encourages Canadians to save for retirement by allowing them to DEDUCT from their income the money contribute to an RRSP.
- For example, if you had \$60,000 in taxable income one year but contributed \$5,000 to an RRSP, you only have to pay taxes on \$55,000.
- The money contributed to your RRSP can grow, tax-free, until you withdraw some of it.
- When you withdraw it, the money is taxed as income... but if you are retired at that time you'll probably pay less tax because your income and taxation rate are likely to be lower.

What is a tax-free account?



- GIC
- RRSP (and tax break)
- Term
- Shares
- Mutual funds

-The interest earned from the investments is tax free!

-You can contribute (add to your investments) up to \$5,000 per year.

Activity

1. Pretend you worked hard this year – you mowed every lawn in the neighbourhood! There were 25 lawns mowed in total, 15 times each, and you charged \$10 per mow. Calculate your **gross income**.
2. Since you were self-employed and did not have paycheque deductions for income tax, you now owe INCOME TAX!* The amount you owe depends on your gross income, and must be paid in a lump sum to the government. On the next slide is the 2015 tax brackets – which brackets do you fall into for both federal and provincial income tax rates?

**There is also an age restriction – if you are under 18 years of age, you do not pay income tax. So, let's say you're 19 for the purpose of this activity.*

Federal Tax Brackets:

- 15% on the first \$44,701 of taxable income, +
- 22% on the next \$44,700 of taxable income, +
- 26% on the next \$49,185 of taxable income, +
- 29% of taxable income over \$138,586.

B.C. Tax Brackets:

- 5.06% on the first \$37,869 of taxable income, +
- 7.7% on the next \$37,871, +
- 10.5% on the next \$11,218, +
- 12.29% on the next \$18,634, +
- 14.7% on the next \$45,458, +
- 16.8% on the amount over \$151,050

