

C A P. X V.

An Act respecting taxes upon commercial corporations and companies.

[Assented to 21st December, 1895.]

Preamble.

WHEREAS it is expedient to amend and consolidate the laws relating to the taxes heretofore known under the name of "taxes upon commercial corporations";

Therefore, Her Majesty, by and with the advice and consent of the Legislature of Quebec, enacts as follows :

R. S., 1143 to 1153, 55-56 V., c. 16, 57 V., c. 14, replaced.

1. Section seventeenth of chapter fifth of title fourth of the Revised Statutes, and the acts 55-56 Victoria, chapter 16, and 57 Victoria, chapter 14, are repealed and replaced by the following :

" SECTION XVII.

TAXES UPON COMMERCIAL CORPORATIONS AND COMPANIES.

§ 1.—*Declaratory and Interpretative.*

Taxes imposed upon certain commercial corporations and companies.

"**1143.** In order to provide for the exigencies of the public service, every one of the following companies and corporations doing business in this Province, in its own name or through an agent, namely :

1. Every incorporated company carrying on any labor, trade or business therein.

2. Each of the following companies, whether incorporated or not:

Every bank carrying on the business of banking therein ;

Every insurance company accepting risks and transacting the business of insurance therein ;

Every loan company making loans therein ;

Every navigation company running a regular line of steamers, steamboats or other vessels in the waters thereof ;

Every telegraph company working a telegraph line or part of a telegraph line therein ;

Every telephone company working a telephone line therein,

Every city passenger railway or tramway company working a line of railway or tramway therein ; and

Every railway company working a railway or part of a railway therein,—

Shall, annually, pay the several taxes mentioned and specified in article 1145, which taxes are hereby imposed upon each of such commercial corporations and companies respectively.

“1144. In this section the following words and expressions have the meaning and application indicated in this article: Interpretation of expressions:

“Incorporated company” does not include companies publishing newspapers or periodicals,—societies or establishments, for the manufacture of butter or cheese, or of both, established under the third section of chapter fourth of title eleventh of these Revised Statutes,—the Dairy Association of the Province of Quebec, established under the thirteenth section of chapter seventh of title fourth of the said Statutes,—mutual insurance societies recognized by or established under the seventeenth and eighteenth sections of chapter third of title eleventh of the said Statutes,—companies established for the construction and maintenance of toll-bridges,—or associations or companies established for the purposes of drainage, agriculture or colonization;

“Bank” includes savings banks;

“Insurance company” comprises life, fire, ocean, inland marine, guarantee and accident insurance companies, but does not include mutual insurance companies organized under the laws of this Province; “Bank”;
“Insurance company”;

“Loan company” includes building societies; but does not include those mutual building societies which have not a fixed capital, do not lend money to the public but only to their members, do not lend money at interest, do not levy any interest upon their members and whose members receive no dividend; “Loan company”;

“Head office” means the most important office or place of business, in the Province of Quebec, of any commercial corporation or company. “Head office”.

§ 2—*Tariff of Annual Taxes Imposed.*

“1145. The annual taxes imposed upon and payable by the commercial corporations and companies mentioned and specified in article 1143 shall be as follows: Amount of annual taxes upon:

I.—INCORPORATED COMPANIES.

(a). One-tenth of one per cent. upon the amount of the paid-up capital to one million dollars, inclusively, and twenty-five dollars for each one hundred thousand dollars or fraction of one hundred thousand dollars for all sums over one million dollars; Incorporated companies.

(b). An additional tax of fifty dollars for each place of business, factory or workshop in the cities of Montreal and Quebec, and of twenty dollars for each place of business, factory or workshop in every other place; Additional tax.

(c). It is lawful for the Lieutenant-Governor in Council to allow incorporated companies coming under this para- Reductions may be allowed.

graph such reduction of taxes for a fixed or undetermined period, as he may deem just, in proportion to the nature and importance of their operations in the Province, when their principal place of business is beyond the limits of the Province, or when, their chief office being within the limits of the Province, they employ therein only a part of their paid-up capital, and their manufactories or other establishments, representing the larger portion of their capital, are situated without the limits of the Province; but the tax exacted must never be less than one-tenth of one per cent. on the amount of the capital employed in the Province;

II.—BANKS.

Banks.

(a). One hundred dollars on every one hundred thousand dollars or fraction of one hundred thousand dollars of the paid-up capital, up to one million dollars, inclusively; fifty dollars for each one hundred thousand dollars or fraction of one hundred thousand dollars of the paid-up capital, from one million dollars to three million dollars, inclusively; twenty-five dollars for each one hundred thousand dollars or fraction of one hundred thousand dollars of the paid-up capital, from three million dollars to six million dollars, inclusively, and fifteen dollars for each one hundred thousand dollars or portion of one hundred thousand dollars over six million dollars,—except in the case of banks whose organization is outside this Province, but which have branches or agencies in the Province, which shall each pay a principal tax of a fixed amount of one-tenth of one per cent. upon the amount of the paid-up capital, if such capital is one million dollars or less, of one thousand dollars if the paid-up capital exceeds one million dollars but does not exceed two million dollars, and of fifteen hundred dollars if the paid-up capital exceeds two million dollars;

Additional tax.

(b). An additional tax of one hundred dollars for each office or place of business in the cities of Montreal and Quebec, and of twenty dollars for each office or place of business in any other place;

III.—INSURANCE COMPANIES.

Insurance companies with business of one kind. Insurance companies carrying on two or more kinds of insurance.

(a). An insurance company carrying on the business of one kind of insurance only, five hundred dollars;

(b). An insurance company carrying on the business of two or more kinds of insurance at the same time, five hundred dollars for the first kind of insurance, and an additional sum of fifty dollars for each kind of insurance beyond one;

Plate glass and live-stock insurance companies.

(c). Companies known as plate glass and live-stock insurance companies shall each pay a tax of one-tenth of one per cent. upon the amount of their paid-up capital;

(d). An additional tax of one hundred dollars for each office or place of business in the cities of Montreal and Quebec, and of five dollars for each office or place of business established in any other place ;

Additional tax.

(e). Every person acting as a broker for marine insurance companies, which do not carry on the business of insurance in the Province and have no office or place of business therein, shall pay a principal tax of two hundred dollars, and an additional tax of fifty dollars for each of his offices or places of business ;

Tax on certain brokers.

IV.—LOAN COMPANIES.

(a). A company with a fixed capital exceeding five hundred thousand dollars, four hundred dollars, with an additional sum of fifty dollars for each million dollars or fraction of one million dollars of the paid-up capital of the company, over one million dollars ;

Loan companies, with fixed capital.

If the fixed capital exceeds four hundred thousand dollars, but does not exceed five hundred thousand dollars, three hundred dollars ; if it exceeds three hundred thousand dollars, but does not exceed four hundred thousand dollars, two hundred and fifty dollars ; if it exceeds two hundred thousand dollars, but does not exceed three hundred thousand dollars, two hundred dollars ; if it exceeds one hundred thousand dollars but does not exceed two hundred thousand dollars, one hundred and fifty dollars ; if the fixed capital is one hundred thousand dollars or less, one-tenth of one per cent. upon the amount of the capital ;

(b). A company without a fixed capital, one hundred dollars ;

Without a fixed capital.

(c). An additional tax of one hundred dollars for each office or place of business in the cities of Montreal and Quebec, and of fifty dollars for each office or place of business in every other place, when the fixed capital of the company exceeds one hundred thousand dollars ; when the fixed capital is one hundred thousand dollars or less, and when there is no fixed capital, the additional tax shall be fifty dollars for each office or place of business in the cities of Montreal and Quebec, and twenty-five dollars for each office or place of business in every other place ;

Additional tax.

V.—NAVIGATION COMPANIES.

(a). One-tenth of one per cent. upon the amount of the paid-up capital up to five hundred thousand dollars, inclusively, and fifty dollars for every one hundred thousand dollars or fraction of one hundred thousand dollars above five hundred thousand dollars ;

Navigation companies

(b). An additional tax of fifty dollars for the most important office or place of business in each of the cities of Mont-

Additional tax.

real and Quebec, and of twenty dollars for the most important office or place of business in every other place ;

VI.—TELEGRAPH COMPANIES.

Telegraph companies with capital to \$50,000.

(a). Every telegraph company and every other company working a telegraph line for the use of the public, one-tenth of one per cent. upon the amount of the paid-up capital up to fifty thousand dollars, inclusively ;

With capital exceeding \$50,000.

(b). Two thousand dollars for every company the paid-up capital whereof exceeds fifty thousand dollars ;

VII.—TELEPHONE COMPANIES.

Telephone companies.

One-tenth of one per cent. upon the amount of the paid-up capital if it is fifty thousand dollars or less ; two hundred and fifty dollars if the paid-up capital exceeds fifty thousand dollars, but does not exceed one hundred thousand dollars ; five hundred dollars if it exceeds one hundred thousand dollars, but does not exceed two hundred thousand dollars ; one thousand dollars if it exceeds two hundred thousand dollars, but does not exceed three hundred thousand dollars ; and fifteen hundred dollars if it exceeds three hundred thousand dollars ;

VIII.—CITY PASSENGER RAILWAY OR TRAMWAY COMPANIES.

City passenger railway or tramway companies.

Fifty dollars for each mile of single track of railway or tramway in operation, and one hundred dollars for each mile of double track in operation ;

IX.—RAILWAY COMPANIES.

Railway companies having received or receiving Government aid.

(a). The railway companies mentioned in the schedule to this section and every railway company having received or receiving subsidies from the Government of this Province, ten dollars for each mile of railway in operation ;

Other railway companies.

(b). All other railway companies, five dollars for each mile of railway in operation.

§ 3.—*Levy and Application of Taxes.*

Taxes when payable.

“ 1146. Such taxes shall be payable on the first judicial day of the month of July in each year.

To whom taxes are payable.

“ 1147. The total amount of the taxes imposed upon any commercial corporation or company coming under this section shall be payable annually to the collector of provincial revenue of the revenue district in which the commercial corporation or company has its head office.

“**1148.** On or before the first day of May in each year, every commercial corporation or company doing business in the Province, in its own name or through an agent, shall, without awaiting any notice or demand to that effect from the Government, forward in duplicate to the Provincial Treasurer, a detailed statement in which shall be set forth, in so far as required, in view of the collection of such taxes, by that part of article 1145 referring to each class of commercial corporations and companies, the name of the corporation or company, its nature, the amount of its capital paid-up, the number and situation of each and all of its offices, places of business, agencies, stations, factories and workshops, and, in the case of railway and tramway companies, the number of miles in operation in the Province.

Commercial corporation or company to send certain statement to Provincial Treasurer, annually,

At the same date in each year, every person acting as a broker for one or more marine insurance companies, which do not carry on the business of insurance in this Province and have no office or place of business therein, shall make a report of the number and the situation of his offices or places of business, as well as the name and nature of each company for which he transacts the business of insurance.

Marine insurance brokers also.

Every year also, on or before the first day of May, every person or firm carrying on business under a corporate name, without being incorporated, shall notify the Provincial Treasurer thereof, without awaiting a notice or demand from the Government, and so as to satisfy the Government that such person or firm is not liable to the payment of the taxes imposed by this section.

Also persons carrying on business under corporate name, without being incorporated.

“**1149.** Every commercial corporation or company carrying on business in the Province, in its own name or through an agent, and such agent, and every broker acting for the marine insurance companies described in the preceding article, who neglects to conform to the provisions of such article shall *ipso facto* be liable to a fine of ten dollars per day for each day during which such negligence continues, counting from the day such taxes become due until the statements required by the preceding article are forwarded to the Provincial Treasurer.

Penalty for not complying with preceding provisions as to statement.

Every such commercial corporation or company and every such agent and broker, who shall make an incomplete or incorrect statement, shall be deemed not to have made a report.

Incomplete report to be considered as null.

“**1150.** Every person or firm, not incorporated, carrying on business under a corporate name, who has not, on the first juridical day of July in each year, made the statement required by article 1148, shall be liable to the fine imposed by the preceding article.

Fine on persons or firms not incorporated, not making a statement.

- Proportion only of tax payable in certain event. **1150a.** Corporations and companies liable to the tax, which, during the year, commence business, are bound to pay only a proportionate amount of the tax, from the first day of the month during which they so commence business.
- Recovery of taxes by suit if unpaid. **1151.** Every annual tax imposed by this section, which is not paid, may be recovered with legal interest thereon from the date upon which such tax becomes due, by an action brought in his own name, on behalf of Her Majesty, by the collector of provincial revenue of the revenue district in which such tax was payable.
- Recovery of fine. The fine imposed by articles 1149 and 1150 shall be recoverable in the same manner.
- Before what court suits to be brought. **2.** All actions for the recovery of such taxes shall be brought in the judicial district in which they are payable, either before the Circuit Court or the Superior Court, according to the competence of the court with reference to the amount claimed.
- Costs not to be adjudged against collector; Proviso as to certain cases. **3.** Costs are not adjudged against the collector of provincial revenue in any action instituted by him under this section; but, on the recommendation of the court, the Provincial Treasurer may, in his discretion, pay to the commercial corporation or company, in favour of which judgment has been rendered, the costs to which he may deem it equitably entitled.
- Suits to be summary matters. **1151a.** Suits, under the authority of this section, before the Circuit Court or the Superior Court, are subject to the rules and delays prescribed for summary matters by the Code of Civil Procedure.
- Returns by clerks, &c., to Provincial Treasurer as to commercial corporations and companies. **1152.** The clerks or secretary-treasurers of every municipal corporation shall, annually, on or before the first day of June, make a report to the Provincial Treasurer setting forth the names of all commercial corporations and companies of the nature of those above mentioned, established or doing business within their respective municipalities, specifying the number of offices, places of business, factories or workshops of each such corporation or company; in default of so doing, the said clerks or secretary-treasurers shall severally be liable to a fine of twenty-five dollars, and, in default of payment of such fine, to an imprisonment of twenty-five days.
- Fine for default. **1153.** All sums due to the Crown in virtue of this section shall constitute a privileged debt, ranking, concurrently with any other privilege of the Crown, immediately after law costs.
- Privilege for taxes. **1153a.** The taxes imposed by this section shall form part of the consolidated revenue fund of the Province.
- Taxes form part of revenue fund. **1153a.** The taxes imposed by this section shall form part of the consolidated revenue fund of the Province.

2. Any proportion of such taxes may be applied, from time to time, by the Provincial Treasurer, under the direction of the Lieutenant-Governor in Council, to the payment of the expenses incurred for the carrying out of this section. Application of taxes.

“**1153b.** The Lieutenant-Governor in Council may make, amend, replace and repeal all regulations that he may consider necessary for the execution of the provisions of this section. Power to make regulations.

Such regulations shall come into force fifteen days after the date of their publication in the *Quebec Official Gazette*. Coming into force of regulations.

“SCHEDULE.

Railway Companies referred to in clause (a) of number IX of article 1145, and toward the construction of whose railways public moneys have been expended or have been appropriated, either by this Province or by the late Province of Canada.

Canadian Pacific Railway Company, for that portion of its railway in the Province, extending from Montreal to St. Jérôme, Aylmer and Ottawa city, together with the St. Lin and St. Eustache branches ;

Grand Trunk Railway Company of Canada, for that portion of its railway in the Province ;

International Railway Company ;

Lake Champlain and St. Lawrence Junction Railway Company ;

Missisquoi Valley Railway Company ;

Montreal and Laurentian Colonization Railway Company ;

Montreal, Portland and Boston Railway Company ;

North Shore Railway Company ;

Pontiac Pacific Junction Railway Company, for that portion of its railway in the Province ;

Quebec and Lake St. John Railway Company ;

Quebec Central Railway Company ;

South Eastern Railway Company ;

Waterloo and Magog Railway Company.”

2. The repeal of the seventeenth section of the fifth chapter of the fourth title of the Revised Statutes, and of the acts 55-56 Victoria, chapter 16, and 57 Victoria, chapter 14, shall not have the effect of remitting the taxes which have become due nor the penalties incurred in virtue thereof ; but such taxes and penalties shall be collected in virtue of the provisions of the repealed laws as if the present act had not been passed. Effect of repeal of certain acts.

3. This act shall come into force on the day of its sanction. Coming into force.