

INFORMATION ONTARIO PART I

Are you thinking of selling some real estate and are wondering about Capital Gains or Land Speculation Tax.

Recently our office has received inquiries concerning selling of land to Americans or giving land to relatives, and the effects of such action as far as Land Speculation Tax, Gift Tax, etc.

This series of Information Ontario releases will concern general answers to some of the questions that are posed. If you wish an answer to a specific problem that you are encountering, you should then contact your solicitor or the Ministry of Revenue, whose address you may obtain through the Northern Affairs Office.

1. What restrictions has the Provincial Government placed upon Americans purchasing Canadian real estate?

ANSWER: The restrictions set out in the legislation are not primarily directed to Americans as such, but are applicable to all non-residents of Canada purchasing Ontario real estate and consists of a land transfer tax rate of 20 per cent of the value of consideration. Under the Land Speculation Tax Act, a resident is not allowed the exemption provided under section 4(f) for the sale of his principal recreational property if the sale is to a non-resident. Further, the sale of shares of a corporation more than 50 per cent of whose assets consist of land will be taxed at the 20 per cent rate under section 2(2) of The Land Speculation Tax Act if the shares are sold to a non-resident.

2. What problems are involved in transferring title of this real estate A) To American citizens B) To Canadian citizens.

ANSWER: We do not see any difference in the problems that may arise in transferring the title caused by the residence of the purchaser; the title requirements are the same, the rate of taxation different.

3. A) If an American property owner sells to another American is there any special transfer tax? If so, how much?

B) If he sells to a citizen of Ontario?

C) If he sells to a Canadian from another province?

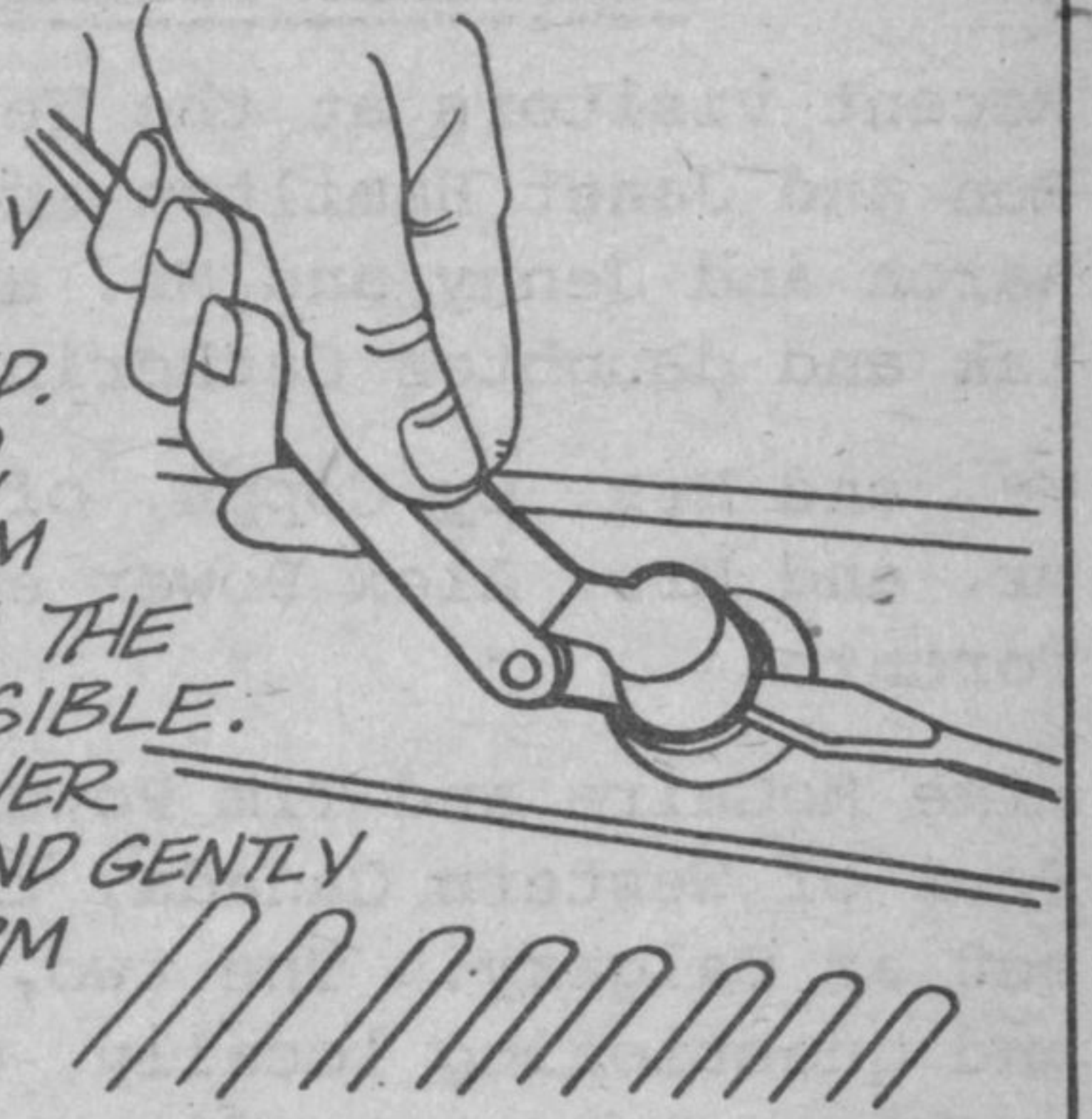
ANSWER: An individual non-resident is defined in section 3(1)(g) of the Act - "not ordinarily resident in Canada". A) If a non-resident sells to another non-resident the tax rate applies at the rate of 20 per cent as set out in 1. above. B) The sale to a resident would be taxed at the standard rate. C) There is no difference between a resident of Ontario and

a resident of any other Canadian province.

This is the first of a series of four articles. If you require the address or phone number of the Ministry of Revenue, Land Tax Section, please contact your Northern Affairs Officer, Bev Young, Box 280 Peninsula Bldg., Marathon, Ontario. Phone 229-1153.

Auto Service Tips

WIPER ARMS
THAT FAIL TO
KEEP BLADES FIRMLY
AGAINST THE GLASS
SHOULD BE REPLACED.
WITH ONE HAND,
LIFT THE WIPER ARM
AS FAR AWAY FROM THE
WINDSHIELD AS POSSIBLE.
USING A SCREWDRIVER
WITH THE OTHER HAND GENTLY
PRY THE WIPER ARM
FROM ITS SHAFT.

**M. CEBRARIO & SONS LTD.**

HARDWARE, PAINTS, BUILDING SUPPLIES,
SUNWORTHY PAPERS

312 MANITOBA STREET, SCHREIBER, ONTARIO

PHONE 824-2183

R.S. KIRUP & SON LTD.

SURVEYORS & ENGINEERS

(THUNDER BAY-DRYDEN-RED LAKE-KENORA)

409 GEORGE ST., THUNDER BAY

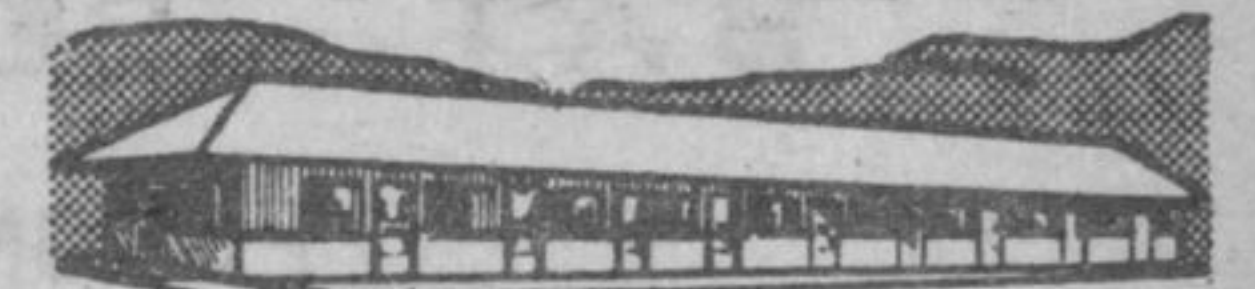
PHONE 623-3461

NOTICE

ALL RUSTING CAR OWNERS

Join national group
taking legal action
to recover losses
from Ford, G.M.C.
Chrysler - Write
RUST GROUP
Box 164, Station N
New Toronto 14, Ont.

Nor-West MOTEL



CAA & AAA APPROVED FAMILY RATES

Clean Quiet Cosy

"On Ground Level Only"

CABLE & COLOR TV - ELECTRIC HEAT
YEAR ROUND COMMERCIAL RATES

HWY 17 N W

SCHREIBER
WEST ENTRANCE

824-2501

IF BUSY
CALL

824-2800