

Excise Tax Payments On Documents Using CPR Perfins

SYNOPSIS

Introduction

In late 1914, the Canadian Federal Government faced a significant financial challenge. WWI had commenced which caused an increase in government spending however it lacked a corresponding increase in government revenue. One new source of revenue was a tax commercial paper, the most common of which were cheques. To help reduce the revenue shortfall an Excise Tax of two cents per commercial document was created. This was considered to be small enough to be accepted by the public in their day to day life.

Treatment & Importance

Just over 20 percent of companies that perforated postage stamps also perforated Excise tax stamps. However, the number of excise stamps that have survived is small compared to the number of perforated postage stamps. This exhibit presents examples of Excise tax stamps on document from the origin of the Excise tax in 1915 to its retirement in 1953. All stamps, postal and Excise, have been perforated with 'CPR' to reduce the risk of pilferage.

The Excise tax could be prepaid using any of the following: postage stamps, War tax stamps or Excise tax stamps. Many companies paid the tax with postage stamps, since it was one less item to keep a record of. In the case of the CPR, the exhibitor has only seen seven cheques where the Excise tax is paid by something other than an Excise tax stamp.

Knowledge & Research

The CPR C33, C34, C35, C36 perfins and their B.F. Cummins model 53 perforators are well documented in the BNAPS perfin e-book *Canadian Stamps with Perforated Initials* (see References). The cheque on the title page contains a large "PAID" perforation. The exhibitor, having located a 1909 B.F. Cummins catalogue of perforators, can confirm for the first time that this large "PAID" perforation was indeed produced by a B.F. Cummins Model 4 perforator.

Condition & Rarity

The cheque on Page 5 is drawn on the CPR's primary chequing account. They are relatively easy to find with a little looking. The cheques drawn on subsidiary accounts are more difficult to find and should be considered to be scarce. As for the receipts with Excise tax stamps, each one of these is unique. The CPR client has paid for a service for which they have paid a fee, plus tax, and taken the document home. The survival rate of these documents is relatively low, so by their nature they are much rarer. Every receipt the exhibitor has seen over 50 years of research is presented. Also, after reviewing Excise tax perfins, there is no other company with enough material to fill two or three exhibit pages without duplicating accounts, other than CPR which just barely fills sixteen pages.

References:

Johnson, J.C., Tomasson, G., *Canadian Stamps with Perforated Initials, Sixth Edition*

<https://bnaps.org/PerfinHandbook/PerfinHandbook.htm>

Ryan, Christopher D., *The excise tax on cheques & other commercial paper, 1915-53*

<https://bnaps.org/hhl/Topics/BNA%20Topics,%20Vol.%2062,%20No.%204,%20October-December%202005,%20Whole%20No.%20505.pdf>