

## 8. INCOME TAXES

The effective income tax rate in the consolidated statement of earnings is reported at a rate different than the weighted average basic Canadian federal and provincial statutory income tax rate for the following reasons:

	2008	2007
Weighted average basic Canadian federal and provincial statutory income tax rate	<b>30.9%</b>	32.6%
Net decrease resulting from:		
Earnings in jurisdictions taxed at rates different from the Canadian statutory income tax rates	<b>(2.8)</b>	(0.9)
Non-taxable amounts (including capital gains/losses and dividends)	<b>(4.5)</b>	
Impact of statutory income tax rate changes on future income tax balances		(3.4)
Impact of resolution of certain income tax matters from a previous year and other	<b>2.4</b>	(0.3)
Effective income tax rate applicable to earnings from continuing operations before income taxes and minority interest	<b>26.0%</b>	28.0%

Net income taxes paid in 2008 were \$133 (2007 – \$214).

The cumulative effects of changes in Canadian federal and certain provincial statutory income tax rates on future income tax assets and liabilities are included in the consolidated financial statements at the time of substantive enactment. Accordingly, in 2007 a \$24 net reduction to the future income tax expense was recognized as a result of changes in the Canadian federal and certain provincial statutory income tax rates.

The income tax effects of temporary differences that gave rise to significant portions of the future income tax assets (liabilities) were as follows:

	2008	2007
Accounts payable and accrued liabilities	\$ 71	\$ 67
Other liabilities	163	123
Losses carried forward (expiring 2015 to 2028)	117	96
Valuation allowances		(3)
Fixed assets	(319)	(285)
Goodwill and intangible assets	(29)	(24)
Other assets	(203)	(210)
Other	17	15
Net future income tax liabilities	\$ (183)	\$ (221)

	2008	2007
Recorded on the consolidated balance sheet as follows:		
<b>Future income tax assets</b>		
Current	\$ 69	\$ 76
Non-current	36	
	105	76
<b>Future income tax liabilities</b>		
Current		(1)
Non-current	(288)	(296)
	(288)	(297)
Net future income tax liabilities	\$ (183)	\$ (221)