

2017 Income Tax Reference - Personal Federal and BC Combined Personal Marginal Tax Rates

2017 Marginal Rates						2016 Marginal Rates					
Taxable Income		Other Income	Canadian Dividends ¹			Taxable Income		Other Income	Canadian Dividends ¹		
			Capital Gains ²	Eligible Dividends ³	Non-Eligible Dividends ³				Capital Gains ²	Eligible Dividends	Non-Eligible Dividends
-	\$ 38,898	20.06%	10.03%	-6.84%	8.27%	-	\$ 38,210	20.06%	10.03%	-6.84%	8.27%
\$ 38,899	\$ 45,916	22.70%	11.35%	-3.2%	11.36%	\$ 38,211	\$ 45,282	22.70%	11.35%	-3.2%	11.36%
\$ 45,917	\$ 77,797	28.20%	14.10%	4.39%	17.79%	\$ 45,283	\$ 76,421	28.20%	14.10%	4.39%	17.79%
\$ 77,798	\$ 89,320	31.00%	15.50%	8.25%	21.07%	\$ 76,422	\$ 87,741	31.00%	15.50%	8.25%	21.07%
\$ 89,321	\$ 91,831	32.79%	16.40%	10.72%	23.16%	\$ 87,742	\$ 90,563	32.79%	16.40%	10.72%	23.16%
\$ 91,832	\$108,460	38.29%	19.15%	18.31%	29.60%	\$ 90,564	\$106,543	38.29%	19.15%	18.31%	29.60%
\$ 108,461	\$142,353	40.70%	20.35%	21.64%	32.42%	\$ 106,544	\$140,388	40.70%	20.35%	21.64%	32.42%
\$ 142,354	\$202,800	43.70%	21.85%	25.78%	35.93%	\$ 140,389	\$200,000	43.70%	21.85%	25.78%	35.93%
\$ 202,801	...And up	47.70%	23.85%	31.30%	40.61%	\$ 200,001	...And up	47.70%	23.85%	31.30%	40.61%

Notes:
 (1) Marginal tax rates for dividends equate to the percentage of actual dividends received (i.e. not the grossed-up amount). For 2017 the gross-up for eligible dividends is 1.38 (2016: 1.38; 2015: 1.38). For 2017 the gross-up for non-eligible dividends is 1.17 (2016:1.17, 2015:1.18).
 (2) Marginal tax rates for capital gains equate to the percentage of total capital gains (i.e. not taxable capital gains)
 (3) These figures do not reflect the BC Government's proposal to decrease the dividend tax credit for 2017. This change has not received royal assent as of March 31, 2017.

Basic Personal Amounts

	2017 Amount & Rate		2016 Amount & Rate	
Federal	\$ 11,635	15.00%	\$ 11,474	15.00%
BC	\$ 10,208	5.06%	\$ 10,027	5.06%

OAS Benefits and Claw Back (2017 projected)

	2017	2016	2015
Maximum OAS benefit	\$ 6,942	\$ 6,879	\$ 6,787
Base taxable income	\$74,788	\$73,756	\$72,809
Full claw back level (full benefits)	\$121,070	\$119,615	\$117,909

Transferability of Tax Credits

Tax Credit	Max. Amount (2017) ¹	Transferable to
Age	\$ 7,225	Spouse
Disability	\$ 8,113	Spouse or supporting person
Pension	\$ 2,000	Spouse
Tuition	\$ 5,000	Spouse or supporting parent or grandparent

RRSP Contribution Limits

	Limit	Earned Income to Reach Max. Limit (18%)
2015	\$ 24,930	\$ 138,500
2016	\$ 25,370	\$ 140,945
2017	\$ 26,010	\$ 144,500
2018	\$ 26,230	\$ 145,722

Note:
 (1) "Max. Amount (2017)" reflects the greater of federal and provincial (BC) transferrable base amounts. The "Age" credit may be subject to reduction based on income level. The Education and Textbook credits were eliminated effective January 1, 2017.

Tax Free Savings Account Contribution Limits

	2017	2016	2015
Contribution Amount	\$ 5,500	\$ 5,500	\$ 10,000
Cumulative Contribution Total	\$ 52,000	\$ 46,500	\$ 41,000

RESP Contribution Limits¹

Annual Contribution for Maximum CESG (grant) per child	\$ 2,500
Annual Maximum CESG (grant) available per child ²	\$ 600

Notes:
 (1) Further details about RESP may be found at: <http://www.cra-arc.gc.ca/tx/ndvds/tpcs/resp-reee/menu-eng.html>
 (2) The annual maximum CESG (grant) depends on income level.

2017 Income Tax Reference - Corporate Corporate Tax Rates

Combined Federal and BC	2017	2016	2015
General Rate	26.0%	26.0%	26.0%
Investment (CCPC)	49.7%	49.7%	45.7%
Small Business	13.0% ¹	13.0%	13.5%

(1) These figures do not reflect the BC Government's proposal to reduce the small business corporate tax rate from 2.5% to 2% effective April 1, 2017 as this change has not received royal assent as of March 31, 2017.

Maximum Lifetime Capital Gains Exemption Limit

	2017	2016	2015
QSBC Shares	\$835,716	\$824,176	\$813,600
Qualified Farm Property	\$1,000,000	\$1,000,000	\$1,000,000
Qualified Fishing Property	\$1,000,000	\$1,000,000	\$1,000,000

Land Transfer Tax (BC)

	2017	2016	2015
Up to \$ 200,000	1%	1%	1%
\$ 200,001 to \$2,000,000	2%	2%	2%
Amounts over \$2,000,000 ¹	3%	3%	2%

Select Exchange Rates – per Bank of Canada

Yearly Average		2016	2015	2014
United States Dollar	\$	1.3248	1.2787	1.1045
UK Pound	£	1.7962	1.9540	1.8190
European Euro	€	1.4660	1.4182	1.4671

Prescribed Interest Rates – CRA – Basic Rates

	2017	2016	2015	2014
January - March	1.0%	1.0%	1.0%	1.0%
April - June	1.0%	1.0%	1.0%	1.0%
July -September		1.0%	1.0%	1.0%
October - December		1.0%	1.0%	1.0%

Canada Pension Plan Contributions

	2017	2016
Contributory earnings	\$ 55,300.00	\$ 54,900.00
Basic Exemption	\$ 3,500.00	\$ 3,500.00
Maximum contributory earnings	\$ 51,800.00	\$ 51,400.00
Employees – 4.95% (2016: 4.95%)	\$ 2,564.10	\$ 2,544.30
Self-employed – 9.9% (2016: 9.9%)	\$ 5,128.20	\$ 5,088.60

Employment Insurance Premiums

	2017	2016
Maximum insurable earnings	\$ 51,300.00	\$ 50,800.00
Maximum premiums (except Quebec)		
• Employees: 1.63% (2016: 1.88%)	\$ 836.19	\$ 955.04
• Employers: 1.4 x employee premium	\$ 1,170.67	\$ 1,337.06

Automobiles Used in Business – BC

1. Restrictions on deductibility of expenses:

	2017	2016
Leasing costs (per 30 day period) plus sales taxes	\$ 800	\$ 800
Interest (per month)	\$ 300	\$ 300
CCA – depreciable cost limits plus sales taxes	\$ 30,000	\$ 30,000
Allowance to employees (per km) <ul style="list-style-type: none"> • first 5000 km 	\$ 0.54	\$ 0.54
<ul style="list-style-type: none"> • additional km 	\$ 0.48	\$ 0.48

2. Employee Benefits²:

a) Standby Charge³:

Company owned car	2% x original cost x number of months vehicle available for use (plus sales taxes)
Company leased car	2/3 x lease payments x number of months vehicle available for use (plus sales taxes)

b) Operating Cost Benefit:

Per personal-use kilometre	\$ 0.25	\$ 0.26
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Notes:

- BC Budget February 16, 2016 proposed property transfer tax rate to increase to 3% on the portion of the property's fair market value over \$2,000,000, effective February 17, 2016
- See the current CRA T4130 Employers' Guide – Taxable Benefits for detailed standby and operating benefit calculation forms or CRA's website for the Automobile Benefits On-line Calculator <http://www.cra-arc.gc.ca/autobenefits-calculator/>
- The Standby Charge may be reduced where the automobile is used more than 50% for business purposes. The reduced Standby Charge is calculated as:

$$\frac{[(\text{Personal Km}) / (\text{Months available for use} \times 1,667)] \times (\text{Standby Charge 2a above before sales tax})}{1}$$