

## 2016 Income Tax Reference - Personal Federal and BC Combined Personal Marginal Tax Rates

2016 Marginal Rates						2015 Marginal Rates					
Taxable Income		Other Income	Canadian Dividends <sup>1</sup>			Taxable Income		Other Income	Canadian Dividends <sup>1</sup>		
			Capital Gains <sup>2</sup>	Eligible Dividends	Non-Eligible Dividends				Capital Gains <sup>2</sup>	Eligible Dividends	Non-Eligible Dividends
-	\$ 38,210	20.06%	10.03%	-6.84%	8.27%	-	\$ 37,869	20.06%	10.03%	-6.84%	7.61%
\$ 38,211	\$ 45,282	22.70%	11.35%	-3.2%	11.36%	\$ 37,870	\$ 44,701	22.70%	11.35%	-3.2%	10.73%
\$ 45,283	\$ 76,421	28.20%	14.10%	4.39%	17.79%	\$ 44,702	\$ 75,740	29.70%	14.85%	6.46%	18.99%
\$ 76,422	\$ 87,741	31.00%	15.50%	8.25%	21.07%	\$ 75,741	\$ 86,958	32.50%	16.25%	10.32%	22.29%
\$ 87,742	\$ 90,563	32.79%	16.40%	10.72%	23.16%	\$ 86,959	\$ 89,401	34.29%	17.15%	12.79%	24.40%
\$ 90,564	\$106,543	38.29%	19.15%	18.31%	29.60%	\$ 89,402	\$105,592	38.29%	19.15%	18.31%	29.12%
\$ 106,544	\$140,388	40.70%	20.35%	21.64%	32.42%	\$105,593	\$138,586	40.70%	20.35%	21.64%	31.97%
\$ 140,389	\$200,000	43.70%	21.85%	25.78%	35.93%	\$138,587	\$151,050	43.70%	21.85%	25.78%	35.51%
\$ 200,001	...And up	47.70%	23.85%	31.30%	40.61%	\$151,051	...And up	45.80%	22.90%	28.68%	37.98%

**Notes:**

- (1) Marginal tax rates for dividends equate to the percentage of actual dividends received (i.e. not the grossed-up amount). For 2016 the gross-up for eligible dividends is 1.38 (2015: 1.38; 2014: 1.38). For 2016 the gross-up for non-eligible dividends is 1.17 (2015:1.18, 2014:1.18).
- (2) Marginal tax rates for capital gains equate to the percentage of total capital gains (i.e. not taxable capital gains)

### Basic Personal Amounts

	2016 Amount & Rate		2015 Amount & Rate	
Federal	\$ 11,474	15.00%	\$ 11,327	15.00%
BC	\$ 10,027	5.06%	\$ 9,938	5.06%

### OAS Benefits and Claw Back (2016 projected)

	2016	2015	2014
Maximum OAS benefit	\$ 6,846	\$ 6,787	\$ 6,677
Base taxable income	\$73,756	\$72,809	\$ 71,592
Full claw back level (full benefits)	\$119,398	\$117,909	\$116,103

### Transferability of Tax Credits

Tax Credit	Max. Amount (2016) <sup>1</sup>	Transferable to
Age	\$ 7,125	Spouse
Disability	\$ 8,001	Spouse or supporting person
Pension	\$ 2,000	Spouse
Tuition, education and textbook	\$ 5,000	Spouse or supporting parent or grandparent

### RRSP Contribution Limits

	Limit	Earned Income to Reach Max. Limit (18%)
2014	\$ 24,270	\$ 134,833
2015	\$ 24,930	\$ 138,500
2016	\$ 25,370	\$ 140,945
2017	\$ 26,010	\$ 144,500

**Note:**

- (1) "Max. Amount (2016)" reflects the greater of federal and provincial (BC) transferrable base amounts. The "Age" credit may be subject to reduction based on income level.

### Tax Free Savings Account Contribution Limits

	2016	2015	2014
Contribution Amount	\$ 5,500	\$ 10,000	\$ 5,500
Cumulative Contribution Total	\$ 46,500	\$ 41,000	\$ 31,000

### RESP Contribution Limits<sup>1</sup>

Annual Contribution for Maximum CESG (grant) per child	\$ 2,500
Annual Maximum CESG (grant) available per child <sup>2</sup>	\$ 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.

## 2016 Income Tax Reference - Corporate Corporate Tax Rates

Combined Federal and BC	2016	2015	2014
General Rate	26.0%	26.0%	26.0%
Investment (CCPC)	49.7%	45.7%	45.7%
Small Business	13.0%	13.5%	13.5%

### General Rate Income Pool (GRIP) Factors

	2016	2015	2014
GRIP Calculation Factor	0.72	0.72	0.72

### Land Transfer Tax (BC)

	2016	2015	2014
Up to \$ 200,000	1%	1%	1%
\$ 200,001 to \$2,000,000	2%	2%	2%
Amounts over \$2,000,000 <sup>1</sup>	3%	2%	2%

### Select Exchange Rates – per Bank of Canada

Yearly Average		2015	2014	2013
United States Dollar	\$	1.2787	1.1045	1.0299
UK Pound	£	1.9540	1.8190	1.6113
European Euro	€	1.4182	1.4671	1.3681

### Prescribed Interest Rates – CRA – Basic Rates

	2016	2015	2014	2013
January - March	1.0%	1.0%	1.0%	1.0%
April - June		1.0%	1.0%	1.0%
July -September		1.0%	1.0%	1.0%
October - December		1.0%	1.0%	2.0%

### Canada Pension Plan Contributions

	2016	2015
Contributory earnings	\$ 54,900.00	\$ 53,600.00
Basic Exemption	\$ 3,500.00	\$ 3,500.00
Maximum contributory earnings	\$ 51,400.00	\$ 50,100.00
Employees – 4.95% (2015: 4.95%)	\$ 2,544.30	\$ 2,479.95
Self-employed – 9.9% (2015: 9.9%)	\$ 5,088.60	\$ 4,959.90

### Employment Insurance Premiums

	2016	2015
Maximum insurable earnings	\$ 50,800.00	\$ 49,500.00
Maximum premiums (except Quebec)		
• Employees: 1.88% (2014: 1.88%)	\$ 955.04	\$ 930.60
• Employers: 1.4 x employee premium	\$ 1,337.06	\$ 1,302.84

### Automobiles Used in Business – BC

#### 1. Restrictions on deductibility of expenses:

	2016	2015
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)		
• first 5000 km	\$ 0.54	\$ 0.55
• additional km	\$ 0.48	\$ 0.49

#### 2. Employee Benefits <sup>2</sup>:

##### a) Standby Charge <sup>3</sup>:

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	\$ 0.26	\$ 0.27
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#### Notes:

- (1) 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
- (2) 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/esrvc-srvce/t4/bsnss/bc-eng.html>
- (3) The Standby Charge may be reduced where the automobile is used more than 50% for business purposes. The reduced Standby Charge is calculated as: [(Personal Km) / (Months available for use x 1,667)] x (Standby Charge 2a above before sales tax).