

2016 AUTOMOBILE DEDUCTION LIMITS

Effective January 1, 2016, the following passenger vehicle limits apply:
 Maximum cost for CCA purposes will remain at \$30,000 plus taxes.
 Ceiling on deductible leasing costs will remain at \$800 plus taxes.
 The limit on allowable interest deduction for amounts borrowed to purchase an automobile will remain at \$300 per month.
 The limit on tax-exempt kilometre allowances decreased to \$0.54 for the first 5,000 kilometres driven and \$0.48 for each additional kilometre

2015 / 2014 AVERAGE EXCHANGE RATES

COUNTRY	CURRENCY	2015	2014
United States	Dollar	1.2787	1.1045
European Union	Euro	1.4182	1.4671
United Kingdom	Pound Sterling	1.9540	1.8190
Japan	Yen	0.0106	0.0105

2016 / 2015 PAYROLL DEDUCTIONS

		2016	2015
CPP	Max Pensionable Earnings	\$54,900.00	\$ 53,600.00
	Basic Annual Exemption	\$ 3,500.00	\$ 3,500.00
	Contribution Rate	4.95%	4.95%
	Max Employee Contribution	\$ 2,544.30	\$ 2,479.95
EI	Max Annual Insurance Earnings	\$50,800.00	\$ 49,500.00
	Premium Rate	1.88%	1.88%
	Max Employee Annual Premium	\$ 955.04	\$ 930.60

CORPORATE TAX RATES

Combined Federal and BC Rates for the year ended:	ACTIVE INCOME	NO SMALL BUSINESS DEDUCTION	NON-ACTIVE INVESTMENT INCOME
	UP TO \$500,000	INCOME	INCOME
	December 31, 2014.....	13.50	26.00
January 31, 2015.....	13.50	26.00	45.67
February 28, 2015.....	13.50	26.00	45.67
March 31, 2015.....	13.50	26.00	45.67
April 30, 2015.....	13.50	26.00	45.67
May 31, 2015.....	13.50	26.00	45.67
June 30, 2015.....	13.50	26.00	45.67
July 31, 2015.....	13.50	26.00	45.67
August 31, 2015.....	13.50	26.00	45.67
September 30, 2015...	13.50	26.00	45.67
October 31, 2015.....	13.50	26.00	45.67
November 30, 2015....	13.50	26.00	45.67
December 31, 2015....	13.50	26.00	45.67

PRESCRIBED INTEREST RATES

	RECEIVER GENERAL PAYMENTS		ALL OTHER PURPOSES
	TO	FROM	
2013 - Q4	6%	4%	2%
2014 - Q1, Q2, Q3, Q4	5%	3%	1%
2015 - Q1, Q2, Q3, Q4	5%	3%	1%
2016 - Q1	5%	3%	1%

HARMONIZED SALES TAX RATES

15% HST in Nova Scotia.
 14% HST in Prince Edward Island.
 13% HST in Ontario, New Brunswick and Newfoundland & Labrador.
 5% GST in BC and all other provinces and the territories.

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QUICK TAX
2016

**2015 FEDERAL AND BRITISH COLUMBIA
PERSONAL TAX CREDITS**

Amount of credits:	FEDERAL AMOUNT	TOTAL Fed/BC CREDIT
Basic personal credit (\$9,938 BC)	\$11,327	\$2,202
Age credit (Born 1950 or earlier; 65 and over)	1 7,033	1,280
Spousal/Partner and eligible dependants credit	2 11,327	2,130
Infirm dependants aged 18 or older	2 6,700	1,225
Caregiver credit	2 4,608	911
Family caregiver credit	3 2,093	314
Canada employment amount (maximum)	4 1,146	172
Pension income (maximum) (BC max = \$1,000)	4 2,000	351
Disability credit	7,899	1,562
Education and textbook amounts, full-time per month		80
Education and textbook amounts, part-time per month		24
Credits as a percentage of:		
CPP contributions and EI premiums	6	20.06%
Public transit passes (Federal credit only)	7	15.00%
Children's fitness and arts credits	8	20.06%
Adoption expenses	9	20.06%
Tuition and eligible student loan interest	10	20.06%
Medical expenses (in excess of limitations)	11	20.06%
Charitable donations - first \$200	12	20.06%
- remainder		43.70%

- The Age credit begins to reduce when the taxpayer's net income reaches \$35,466 / \$33,174 and is fully reduced at \$82,353 / \$62,888 (Federal / BC).
- The value of these tax credits is reduced whenever the dependant's income exceeds specific threshold amounts; the thresholds are \$0 / \$851 for Spouse or Common-Law Partner; \$6,720 / \$6,927 for Infirm Dependant; and \$15,735 / \$14,717 for Caregiver Credit.
- Additional \$2,093 federal credit added to Spousal/Infirm/Caregiver credit amounts when the dependant has physical/mental infirmity.
- Credits are the lesser of qualifying income amounts and Federal maximums.
- In addition to tuition fees, a full-time student may also claim \$465 / \$200 per month enrolled; a part-time student may claim \$140 / \$60 per month.
- Canada Pension Plan contribution is 4.95% of pensionable earnings. Basic exemption of \$3,500; Maximum CPP pensionable earnings are \$53,600. EI contribution rate is 1.88%. Maximum insurable earnings are \$49,500.
- You may be able to claim weekly, monthly or annual transit passes which permit unlimited travel within Canada for you, your spouse or your children.
- You may claim up to a maximum of \$1,000 per child for fitness and \$500 for arts for fees paid in 2015 for eligible activities for children aged 16 (born 1999 or later) at the beginning of the tax year.
- You may claim a credit for eligible adoption expenses related to the adoption of a child who is under the age of 18 up to a maximum of \$15,255.
- Tuition fees and educational credits are transferable to a spouse, parent or grandparent. The maximum transfer is \$5,000 less the student's net income over \$11,327 / \$9,938. The student may carry forward unused amounts.
- Medical expenses are first reduced by \$2,208 / \$2,066 (Federal / BC) or 3% of Net Income, whichever is less, in order to calculate allowable amount.
- Charitable donations may not exceed 75% of net income except in the event of death (100%). Excess amounts may be carried forward for 5 years.
- The following amounts may be transferred from a spouse, to the extent that they are not needed to reduce his or her federal income tax to zero: age amount, pension amount, disability amount, amount for eligible children, tuition fees and education amount.
- OAS clawback begins at \$72,809 and is fully recovered at \$118,055.
- Working Income Tax Benefit (BC) For Singles: Income between \$4,750 and \$20,058; Max benefit (\$1,227) at \$12,622; For Family: Income between \$4,750 and \$28,813. Max benefit (\$1,947) at \$17,013.

Split numbers represent Federal / BC amounts



QUICK TAX

INDIVIDUAL MARGINAL RATES - 2015

TAXABLE INCOME	Income	Dividends Eligible	Regular
\$ 11,328 - \$ 18,690	15.00%	0.00%	1.64%
\$ 18,691 - \$ 37,869	20.06%	0.00%	7.61%
\$ 37,870 - \$ 44,701	22.70%	0.00%	10.73%
\$ 44,702 - \$ 75,740	29.70%	6.46%	18.99%
\$ 75,741 - \$ 86,958	32.50%	10.32%	22.29%
\$ 86,959 - \$ 89,401	34.29%	12.79%	24.41%
\$ 89,402 - \$ 105,592	38.29%	18.31%	29.13%
\$ 105,593 - \$ 138,586	40.70%	21.64%	31.97%
\$ 138,587 - \$ 151,050	43.70%	25.78%	35.51%
\$ 151,051 AND OVER*	45.80%	28.68%	37.99%

* Temporary BC Tax Bracket for 2014 and 2015 on taxable income over \$150,000.

2015 TAXABLE INCOME WITH BASIC EXEMPTION

TAXABLE INCOME	TOTAL TAX	TAXABLE INCOME	TOTAL TAX	TAXABLE INCOME	TOTAL TAX
10,000	-	34,000	4,016	80,000	16,692
11,000	-	36,000	4,389	82,500	17,505
12,000	-	38,000	4,766	85,000	18,317
13,000	-	40,000	5,193	90,000	20,021
14,000	112	42,000	5,620	95,000	21,935
15,000	251	44,000	6,046	100,000	23,850
16,000	391	46,000	6,564	105,000	25,764
17,000	531	48,000	7,130	110,000	27,785
18,000	671	50,000	7,699	115,000	29,820
19,000	810	52,000	8,273	120,000	31,855
20,000	1,002	54,000	8,851	125,000	33,890
21,000	1,224	56,000	9,445	130,000	35,925
22,000	1,446	58,000	10,039	140,000	40,037
23,000	1,668	60,000	10,633	150,000	44,407
24,000	1,890	62,000	11,227	175,000	55,835
25,000	2,111	64,000	11,821	200,000	67,285
26,000	2,333	66,000	12,415	225,000	78,735
27,000	2,555	68,000	13,009	250,000	90,185
28,000	2,777	70,000	13,603	300,000	113,085
29,000	2,999	72,500	14,345	500,000	204,685
30,000	3,221	75,000	15,088	750,000	319,185
32,000	3,642	77,500	15,880	1,000,000	433,685

*Tax computations reflect general employment income with applicable credits for basic personal exemption, Canada employment amount, CPP and EI credits. Other credits may apply.

DIVIDEND INCOME WITH DIVIDEND TAX CREDIT

ACTUAL DIVIDEND	REGULAR DIVIDEND	ELIGIBLE DIVIDEND	ACTUAL DIVIDEND	REGULAR DIVIDEND	ELIGIBLE DIVIDEND
20,000	-	-	100,000	15,841	7,487
30,000	372	-	125,000	24,100	12,387
40,000	1,265	-	150,000	33,523	19,556
50,000	3,164	-	200,000	52,516	33,894
60,000	5,063	1,419	250,000	71,510	48,232
70,000	7,154	3,003	500,000	166,480	119,924
80,000	9,717	4,497	750,000	261,450	191,616
90,000	12,644	5,993	1,000,000	356,419	263,308

* Tax calculations are based on applicable gross-up amounts and include basic exemption only.

2015 / 2016 MAJOR CHANGES

- For 2016 and subsequent tax years, a new federal personal income tax bracket and rate has been proposed. Taxable income over \$200,000 will be subject to a Federal/BC income tax rate of 47.7%. This income tax threshold amount will be indexed annually for years after 2016.
- For 2016, the Tax-Free Savings Account limit is reduced to \$5,500.
- For 2015, the Children's fitness amount is now a refundable tax credit, prior to 2015, this credit was non-refundable.
- In July 2016, the taxable Universal Child Care Benefit (UCCB) will be replaced with the non-taxable enhanced Canada Child Benefit (CCB). CCB payments will be \$533/month for children under 6 years of age and \$450/month for children between 6 and 17 years for families earning \$30,000 or less; payments are reduced for families earning more than \$30,000.
- New features have been added to the MyCRA mobile app including benefit payment information, enhanced tax return status and Canada child tax benefit application status. Starting in February 2016, you will also be able to update your address, manage online mail and sign up for direct deposit.

GOVERNMENT / CRA CONTACT

CRA - Individual Taxes	1-800-959-8281
CRA - Business Services	1-800-959-5525
HRDC - CPP/OAS/GIS	1-800-277-9914
PST Hotline	1-877-388-4440

PLANNING AND FILING DEADLINES IN 2016

- February 29:** Last day to issue T4's, T4A's and T5's.
- February 29:** Last day to make personal and spousal RRSP contributions applicable to the 2015 taxation year.
- March 15, June 15, September 15 & December 15:** Quarterly installments for taxpayers who are required to remit quarterly.
- May 2:** File Personal Income Tax Returns for 2015 and remit balance due, if any, to CRA.
- June 15:** Due date for Personal Tax Returns of individuals or spouses/common-law partners of individuals with self-employed business income. (Payment of tax balance still due by May 2).
- December 31:** Deadline for RRSP contributions in the year a taxpayer turns 71. This is also the deadline for converting RRSPs into RRIFs or Life Annuities in a taxpayer's 71st year.

RRIF MIN WITHDRAWAL RATES FOR AGE AT DEC 31

Age	%	Age	%	Age	%	Age	%	
71	5.28	77	6.17	83	7.71	89	10.99	
72	5.40	78	6.36	84	8.08	90	11.92	
73	5.53	79	6.58	85	8.51	91	13.06	
74	5.67	80	6.82	86	8.99	92	14.49	
75	5.82	81	7.08	87	9.55	93	16.34	
76	5.98	82	7.38	88	10.21	94	18.79	
* Under 71 + 1/(90-Age attained at beginning of year)							95+	20.00

The information in this booklet is general in nature; it discusses tax rates and planning matter in a broad sense. Consult your local EPR office in order to receive specific advice appropriate to your individual situation.