



BDO Dunwoody LLP
Chartered Accountants
and Advisors

Tax Facts 2007

current to November 30, 2007



Tax Facts 2007 provides you with a summary of 2007 personal income tax rates and amounts, as well as corporate tax rates (as at July 1, 2007), based on announcements made to June 30, 2007.

What's Inside

Top Personal Rates for 2007 - On page 2 we have set out the top rates in Canada on regular income, dividends and capital gains.

Personal Tax Rates - On pages 3 to 7, we have set out the tax brackets that apply for the year 2007. For ease of use, a section has been provided for each province and territory containing both federal and provincial/territorial rates. This information can be used along with the personal tax credit information on pages 12 and 13 to estimate your taxes for 2007.

Ontario Health Premiums - The health premium tax for 2007 is set out on page 7.

Combined Federal and Provincial/Territorial Tax Brackets - On pages 8 and 11, we have condensed the detailed tax rate information for each province into a chart. You can use the chart that applies to you to estimate your combined federal and provincial/territorial tax liability and to determine effective tax rates on regular income, dividends and capital gains within the income ranges provided.

Personal Tax Credits - On pages 12 and 13, we have set out a summary of federal and provincial/territorial tax credit amounts. Under the tax on income system, a different set of credit amounts will apply federally and in each province and territory.

Quick Estimates - To allow you to quickly estimate your tax liability, we have provided a quick estimate chart on pages 14 and 15.

RRSP, RPP and DPSP Limits - On page 16, we have set out the limits for registered retirement savings plans, registered pension plans and deferred profit sharing plans.

CPP, EI and QPIP Rates - On page 16, we have provided the 2007 Employment Insurance rates and premiums, the 2007 Québec Parental Insurance rates and premiums and the 2007 Canada Pension Plan rates and contributions.

Business Tax Rate Information - On pages 17 and 18, we have provided a summary of corporate income tax rates, as well as payroll and sales rates. On page 19, we have summarized capital tax rates. On page 20, we have provided capital cost allowance rates for some common business assets.

Call your local BDO representative now for advice on minimizing your taxes. *Tax Facts 2007* is a publication of BDO Dunwoody LLP on developments in the area of taxation. This material is general in nature and should not be relied upon to replace the requirement for specific professional advice. For more information, call your local BDO office or contact our National office at: Telephone: 1-800-805-9544 Fax: (416) 367-3912 Internet: www.bdo.ca E-mail: info@bdo.ca

The information in this publication is current as of November 30, 2007. Proposed changes announced in the 2007 federal, provincial and territorial budgets are reflected in the information provided, and are subject to change until passed into law.

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2007 Top Personal Marginal Tax Rates

Jurisdiction	Tax on Income Top Rate (%)	Tax-On-Tax Top Rate (%)	Provincial Surtax (%)	2007 Combined Top Marginal Rates			
				Regular Income (%)	Eligible Dividends (%)	Ineligible Dividends (%)	Capital Gains (%)
Fed.	29.00	---	---	---	---	---	---
B.C.	14.70	---	---	43.70	18.47	31.58	21.85
Alta.	10.00	---	---	39.00	17.45	25.21	19.50
Sask.	15.00	---	---	44.00	20.35	30.83	22.00
Man.	17.40	---	---	46.40	23.83	36.75	23.20
Ont.	11.16	---	20/36	46.41	24.64	31.34	23.21
Qué.	24.00	---	---	48.22	29.69	36.35	24.11
N.B.	17.95	---	---	46.95	23.18	35.40	23.48
N.S.	17.50	---	10	48.25	28.35	33.06	24.13
P.E.I.	16.70	---	10	47.37	24.44	33.61	23.69
Nfld.	17.26	---	4.5	47.04	30.63	35.60	23.52
Yukon	12.76	---	5	42.40	17.23	30.49	21.20
N.W.T.	14.05	---	---	43.05	18.25	29.65	21.53
Nunavut	11.50	---	---	40.50	22.24	28.96	20.25
Non-Resident	---	48.00	---	42.92	---	---	21.46

2007 Personal Income Tax Rates



British Columbia Residents

Federal Tax Calculation

1. Calculate Federal tax using the table below. \$ _____

Taxable Income	Federal Tax
\$0 to \$37,178	15.0%
\$37,178 to \$74,357	\$5,577 plus 22% of the amount over \$37,178
\$74,357 to \$120,887	\$13,756 plus 26% of the amount over \$74,357
\$120,887 and over	\$25,854 plus 29% of the amount over \$120,887

2. Reduce tax by total personal tax credits.
See page 12 for details. \$ _____

3. Total Federal Tax \$ _____

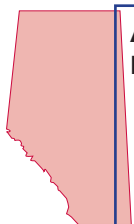
British Columbia Tax Calculation

1. Calculate B.C. tax using the table below. \$ _____

Taxable Income	B.C. Tax
\$0 to \$34,397	5.7%
\$34,397 to \$68,794	\$1,961 plus 8.65% of the amount over \$34,397
\$68,794 to \$78,984	\$4,936 plus 11.1% of the amount over \$68,794
\$78,984 to \$95,909	\$6,067 plus 13% of the amount over \$78,984
\$95,909 and over	\$8,267 plus 14.7% of the amount over \$95,909

2. Reduce tax by total personal tax credits.
See page 12 for details. \$ _____

3. Total British Columbia Tax \$ _____



Alberta Residents

Federal Tax Calculation

1. Calculate Federal tax using the table below. \$ _____

Taxable Income	Federal Tax
\$0 to \$37,178	15.0%
\$37,178 to \$74,357	\$5,577 plus 22% of the amount over \$37,178
\$74,357 to \$120,887	\$13,756 plus 26% of the amount over \$74,357
\$120,887 and over	\$25,854 plus 29% of the amount over \$120,887

2. Reduce tax by total personal tax credits.
See page 12 for details. \$ _____

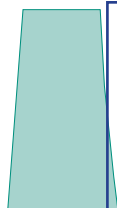
3. Total Federal Tax \$ _____

Alberta Tax Calculation

1. Calculate Alberta tax using the formula below. \$ _____
Taxable income x 10%

2. Reduce tax by total personal tax credits.
See page 12 for details. \$ _____

3. Total Alberta Tax \$ _____



Saskatchewan Residents

Federal Tax Calculation

1. Calculate Federal tax using the table below. \$ _____

Taxable Income	Federal Tax
\$0 to \$37,178	15.0%
\$37,178 to \$74,357	\$5,577 plus 22% of the amount over \$37,178
\$74,357 to \$120,887	\$13,756 plus 26% of the amount over \$74,357
\$120,887 and over	\$25,854 plus 29% of the amount over \$120,887

2. Reduce tax by total personal tax credits.
See page 12 for details. \$ _____

3. Total Federal Tax \$ _____

Saskatchewan Tax Calculation

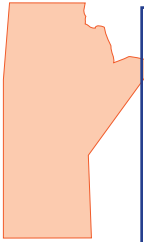
1. Calculate Sask. tax using the table below. \$ _____

Taxable Income	Sask. Tax
\$0 to \$38,405	11%
\$38,405 to \$109,729	\$4,225 plus 13% of the amount over \$38,405
\$109,729 and over	\$13,497 plus 15% of the amount over \$109,729

2. Reduce tax by total personal tax credits.
See page 12 for details. \$ _____

3. Total Saskatchewan Tax \$ _____

2007 Personal Income Tax Rates



Manitoba Residents

Federal Tax Calculation

1. Calculate Federal tax using the table below. \$ _____

Taxable Income	Federal Tax
\$0 to \$37,178	15.0%
\$37,178 to \$74,357	\$5,577 plus 22% of the amount over \$37,178
\$74,357 to \$120,887	\$13,756 plus 26% of the amount over \$74,357
\$120,887 and over	\$25,854 plus 29% of the amount over \$120,887

2. Reduce tax by total personal tax credits.
See page 12 for details. \$ _____

3. Total Federal Tax \$ _____

Manitoba Tax Calculation

1. Calculate Manitoba tax using the table below. \$ _____

Taxable Income	Manitoba Tax
\$0 to \$30,544	10.9%
\$30,544 to \$65,000	\$3,329 plus 13% of the amount over \$30,544
\$65,000 and over	\$7,809 plus 17.4% of the amount over \$65,000

2. Reduce tax by total personal tax credits.
See page 12 for details. \$ _____

3. Total Manitoba Tax \$ _____

Ontario Residents

Federal Tax Calculation

1. Calculate Federal tax using the table below. \$ _____

Taxable Income	Federal Tax
\$0 to \$37,178	15.0%
\$37,178 to \$74,357	\$5,577 plus 22% of the amount over \$37,178
\$74,357 to \$120,887	\$13,756 plus 26% of the amount over \$74,357
\$120,887 and over	\$25,854 plus 29% of the amount over \$120,887

2. Reduce tax by total personal tax credits.
See page 12 for details. \$ _____

3. Total Federal Tax \$ _____

Ontario Tax Calculation

1. Calculate Ontario tax using the table below. \$ _____

Taxable Income	Ontario Tax
\$0 to \$35,488	6.05%
\$35,488 to \$70,976	\$2,147 plus 9.15% of the amount over \$35,488
\$70,976 and over	\$5,394 plus 11.16% of the amount over \$70,976

2. Reduce tax by total personal tax credits.
See page 12 for details. \$ _____

3. Basic Ontario Tax (BOT) \$ _____

4. Add: Ontario Surtax
 ♦ 20% of BOT over \$4,100 plus
 ♦ 36% of BOT over \$5,172

5. Total Ontario Tax \$ _____

Québec Residents

Federal Tax Calculation

1. Calculate Federal tax using the table below. \$ _____

Taxable Income	Federal Tax
\$0 to \$37,178	15.0%
\$37,178 to \$74,357	\$5,577 plus 22% of the amount over \$37,178
\$74,357 to \$120,887	\$13,756 plus 26% of the amount over \$74,357
\$120,887 and over	\$25,854 plus 29% of the amount over \$120,887

2. Reduce tax by total personal tax credits.
See page 12 for details. \$ _____

3. Basic Federal Tax (BFT) \$ _____

4. Deduct Québec abatement, 16.5% of BFT \$ _____

5. Net Federal Tax \$ _____

Québec Tax Calculation

1. Calculate Québec tax using the table below. \$ _____

Taxable Income	Québec Tax
\$0 to \$29,290	16%
\$29,290 to \$58,595	\$4,686 plus 20% of the amount over \$29,290
\$58,595 and over	\$10,547 plus 24% of the amount over \$58,595

2. Reduce tax by total personal tax credits.
See page 12 for details. \$ _____

3. Total Québec Tax \$ _____

New Brunswick Residents

Federal Tax Calculation

1. Calculate Federal tax using the table below. \$ _____

Taxable Income	Federal Tax
\$0 to \$37,178	15.0%
\$37,178 to \$74,357	\$5,577 plus 22% of the amount over \$37,178
\$74,357 to \$120,887	\$13,756 plus 26% of the amount over \$74,357
\$120,887 and over	\$25,854 plus 29% of the amount over \$120,887

2. Reduce tax by total personal tax credits.
See page 12 for details. \$ _____

3. Total Federal Tax \$ _____

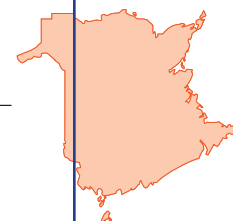
New Brunswick Tax Calculation

1. Calculate N.B. tax using the table below. \$ _____

Taxable Income	N.B. Tax
\$0 to \$34,186	10.12%
\$34,186 to \$68,374	\$3,460 plus 15.48% of the amount over \$34,186
\$68,374 to \$111,161	\$8,752 plus 16.8% of the amount over \$68,374
\$111,161 and over	\$15,940 plus 17.95% of the amount over \$111,161

2. Reduce tax by total personal tax credits.
See page 13 for details. \$ _____

3. Total New Brunswick Tax \$ _____

**Nova Scotia Residents**

Federal Tax Calculation

1. Calculate Federal tax using the table below. \$ _____

Taxable Income	Federal Tax
\$0 to \$37,178	15.0%
\$37,178 to \$74,357	\$5,577 plus 22% of the amount over \$37,178
\$74,357 to \$120,887	\$13,756 plus 26% of the amount over \$74,357
\$120,887 and over	\$25,854 plus 29% of the amount over \$120,887

2. Reduce tax by total personal tax credits.
See page 12 for details. \$ _____

3. Total Federal Tax \$ _____

Nova Scotia Tax Calculation

1. Calculate N.S. tax using the table below. \$ _____

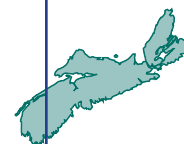
Taxable Income	N.S. Tax
\$0 to \$29,590	8.79%
\$29,590 to \$59,180	\$2,601 plus 14.95% of the amount over \$29,590
\$59,180 to \$93,000	\$7,025 plus 16.67% of the amount over \$59,180
\$93,000 and over	\$12,662 plus 17.5% of the amount over \$93,000

2. Reduce tax by total personal tax credits.
See page 13 for details. \$ _____

3. Basic N.S. Tax (BNST) \$ _____

4. Add: N.S. Surtax
♦ 10% of BNST over \$10,000

5. Total Nova Scotia Tax \$ _____

**Prince Edward Island Residents**

Federal Tax Calculation

1. Calculate Federal tax using the table below. \$ _____

Taxable Income	Federal Tax
\$0 to \$37,178	15.0%
\$37,178 to \$74,357	\$5,577 plus 22% of the amount over \$37,178
\$74,357 to \$120,887	\$13,756 plus 26% of the amount over \$74,357
\$120,887 and over	\$25,854 plus 29% of the amount over \$120,887

2. Reduce tax by total personal tax credits.
See page 12 for details. \$ _____

3. Total Federal Tax \$ _____

Prince Edward Island Tax Calculation

1. Calculate P.E.I. tax using the table below. \$ _____

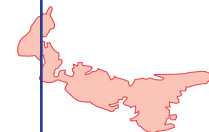
Taxable Income	P.E.I. Tax
\$0 to \$31,369	9.8%
\$31,369 to \$62,739	\$3,074 plus 13.8% of the amount over \$31,369
\$62,739 and over	\$7,403 plus 16.7% of the amount over \$62,739

2. Reduce tax by total personal tax credits.
See page 13 for details. \$ _____

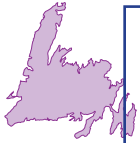
3. Basic P.E.I. Tax (BPEIT) \$ _____

4. Add: P.E.I. Surtax
♦ 10% of BPEIT over \$8,850

5. Total Prince Edward Island Tax \$ _____



2007 Personal Income Tax Rates



Newfoundland and Labrador Residents

Federal Tax Calculation

1. Calculate Federal tax using the table below. \$ _____

Taxable Income	Federal Tax
\$0 to \$37,178	15.0%
\$37,178 to \$74,357	\$5,577 plus 22% of the amount over \$37,178
\$74,357 to \$120,887	\$13,756 plus 26% of the amount over \$74,357
\$120,887 and over	\$25,854 plus 29% of the amount over \$120,887

2. Reduce tax by total personal tax credits.
See page 12 for details. \$ _____

3. Total Federal Tax \$ _____

Newfoundland and Labrador Tax Calculation

1. Calculate Nfld. and Lab. tax using the table below. \$ _____

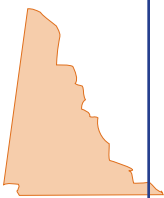
Taxable Income	Newfoundland and Labrador Tax
\$0 to \$29,886	9.64%
\$29,886 to \$59,772	\$2,881 plus 14.98% of the amount over \$29,886
\$59,772 and over	\$7,358 plus 17.26% of the amount over \$59,772

2. Reduce tax by total personal tax credits.
See page 13 for details. \$ _____

3. Basic Newfoundland and Labrador Surtax (BNLT) \$ _____

4. Add: Newfoundland and Labrador Tax
♦ 4.5% of BNLT over \$7,102 \$ _____

5. Total Newfoundland and Labrador Tax \$ _____



Yukon Residents

Federal Tax Calculation

1. Calculate Federal tax using the table below. \$ _____

Taxable Income	Federal Tax
\$0 to \$37,178	15.0%
\$37,178 to \$74,357	\$5,577 plus 22% of the amount over \$37,178
\$74,357 to \$120,887	\$13,756 plus 26% of the amount over \$74,357
\$120,887 and over	\$25,854 plus 29% of the amount over \$120,887

2. Reduce tax by total personal tax credits.
See page 12 for details. \$ _____

3. Total Federal Tax \$ _____

Yukon Tax Calculation

1. Calculate Yukon tax using the table below. \$ _____

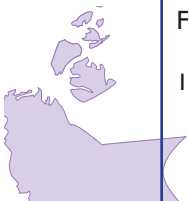
Taxable Income	Yukon Tax
\$0 to \$37,178	7.04%
\$37,178 to \$74,357	\$2,617 plus 9.68% of the amount over \$37,178
\$74,357 to \$120,887	\$6,216 plus 11.44% of the amount over \$74,357
\$120,887 and over	\$11,539 plus 12.76% of the amount over \$120,887

2. Reduce tax by total personal tax credits.
See page 13 for details. \$ _____

3. Basic Yukon Tax (BYT) \$ _____

4. Add: Yukon Surtax
♦ 5% of BYT over \$6,000 \$ _____

5. Total Yukon Tax \$ _____



Northwest Territories Residents

Federal Tax Calculation

1. Calculate Federal tax using the table below. \$ _____

Taxable Income	Federal Tax
\$0 to \$37,178	15.0%
\$37,178 to \$74,357	\$5,577 plus 22% of the amount over \$37,178
\$74,357 to \$120,887	\$13,756 plus 26% of the amount over \$74,357
\$120,887 and over	\$25,854 plus 29% of the amount over \$120,887

2. Reduce tax by total personal tax credits.
See page 12 for details. \$ _____

3. Total Federal Tax \$ _____

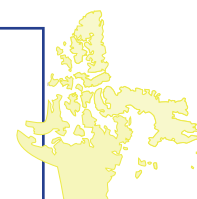
Northwest Territories Tax Calculation

1. Calculate N.W.T. tax using the table below. \$ _____

Taxable Income	N.W.T. Tax
\$0 to \$35,315	5.9%
\$35,315 to \$70,631	\$2,084 plus 8.6% of the amount over \$35,315
\$70,631 to \$114,830	\$5,121 plus 12.2% of the amount over \$70,631
\$114,830 and over	\$10,513 plus 14.05% of the amount over \$114,830

2. Reduce tax by total personal tax credits.
See page 13 for details. \$ _____

3. Total Northwest Territories Tax \$ _____



Nunavut Residents

Federal Tax Calculation

1. Calculate Federal tax using the table below. \$ _____

Taxable Income	Federal Tax
\$0 to \$37,178	15.0%
\$37,178 to \$74,357	\$5,577 plus 22% of the amount over \$37,178
\$74,357 to \$120,887	\$13,756 plus 26% of the amount over \$74,357
\$120,887 and over	\$25,854 plus 29% of the amount over \$120,887

2. Reduce tax by total personal tax credits.

See page 12 for details. \$ _____

3. Total Federal Tax \$ _____

Nunavut Tax Calculation

1. Calculate Nunavut tax using the table below. \$ _____

Taxable Income	Nunavut Tax
\$0 to \$37,178	4%
\$37,178 to \$74,357	\$1,487 plus 7% of the amount over \$37,178
\$74,357 to \$120,887	\$4,090 plus 9% of the amount over \$74,357
\$120,887 and over	\$8,277 plus 11.5% of the amount over \$120,887

2. Reduce tax by total personal tax credits.

See page 13 for details. \$ _____

3. Total Nunavut Tax \$ _____

Ontario Health Premium Tax

The Ontario government introduced a health premium tax in its 2004 budget. Unlike health premiums in B.C. and Alberta, Ontario health premiums are based on an individual's taxable income level, similar to personal income tax rates, and the premiums increase at higher levels of taxable income, as set out in the chart below.

Premiums for Ontario Residents	
Taxable Income	2007 and Subsequent Taxation Years
Up to \$20,000	--
\$20,000 - \$25,000	6% of TI** over \$20,000
\$25,000 - \$36,000	\$300
\$36,000 - \$38,500	\$300 plus 6% of TI over \$36,000
\$38,500 - \$48,000	\$450
\$48,000 - \$48,600	\$450 plus 25% of TI over \$48,000
\$48,600 - \$72,000	\$600
\$72,000 - \$72,600	\$600 plus 25% of TI over \$72,000
\$72,600 - \$200,000	\$750
\$200,000 - \$200,600	\$750 plus 25% of TI over \$200,000
More than \$200,600	\$900

**TI= taxable income

2007 Combined Federal and Provincial/Territorial Tax Brackets

Use the tables on pages 8 to 11 to estimate your combined federal and provincial/territorial tax and your effective combined tax rates on regular income, dividends and capital gains. Tax rates and amounts include surtaxes where applicable. Reduce the tax by your total federal and provincial/territorial tax credits (see pages 12 and 13). Note that provincial/territorial tax reductions at lower levels of income have not been included.

British Columbia

Taxable Income Range		Tax on Bottom of Range	Rate on Regular Income (%)	Rate on Eligible Dividends (%)	Rate on Ineligible Dividends (%)	Rate on Capital Gains (%)
From:	To:					
\$0	\$34,397	\$0	20.70	0.00	2.83	10.35
34,397	37,178	7,120	23.65	0.00	6.52	11.83
37,178	68,794	7,778	30.65	4.40	15.27	15.33
68,794	74,357	17,468	33.10	4.40	18.33	16.55
74,357	78,984	19,310	37.10	10.20	23.33	18.55
78,984	95,909	21,026	39.00	11.65	25.71	19.50
95,909	120,887	27,627	40.70	14.12	27.83	20.35
120,887	and over	37,793	43.70	18.47	31.58	21.85

Alberta

Taxable Income Range		Tax on Bottom of Range	Rate on Regular Income (%)	Rate on Eligible Dividends (%)	Rate on Ineligible Dividends (%)	Rate on Capital Gains (%)
From:	To:					
\$0	\$37,178	\$0	25.00	2.90	7.71	12.50
37,178	74,357	9,295	32.00	7.30	16.46	16.00
74,357	120,887	21,192	36.00	13.10	21.46	18.00
120,887	and over	37,943	39.00	17.45	25.21	19.50

Saskatchewan

Taxable Income Range		Tax on Bottom of Range	Rate on Regular Income (%)	Rate on Eligible Dividends (%)	Rate on Ineligible Dividends (%)	Rate on Capital Gains (%)
From:	To:					
\$0	\$37,178	\$0	26.00	0.00	8.33	13.00
37,178	38,405	9,666	33.00	4.40	17.08	16.50
38,405	74,357	10,071	35.00	7.30	19.58	17.50
74,357	109,729	22,654	39.00	13.10	24.58	19.50
109,729	120,887	36,449	41.00	16.00	27.08	20.50
120,887	and over	41,024	44.00	20.35	30.83	22.00

Manitoba

Taxable Income Range		Tax on Bottom of Range	Rate on Regular Income (%)	Rate on Eligible Dividends (%)	Rate on Ineligible Dividends (%)	Rate on Capital Gains (%)
From:	To:					
\$0	\$30,544	\$0	25.90	0.00	11.12	12.95
30,544	37,178	7,911	28.00	2.90	13.75	14.00
37,178	65,000	9,768	35.00	7.30	22.50	17.50
65,000	74,357	19,506	39.40	13.68	28.00	19.70
74,357	120,887	23,193	43.40	19.48	33.00	21.70
120,887	and over	43,387	46.40	23.83	36.75	23.20

Ontario (does not include Ontario Health Premium Tax)

Taxable Income Range		Tax on Bottom of Range	Rate on Regular Income (%)	Rate on Eligible Dividends (%)	Rate on Ineligible Dividends (%)	Rate on Capital Gains (%)
From:	To:					
\$0	\$35,488	\$0	21.05	0.00	3.23	10.53
35,488	37,178	7,470	24.15	3.55	7.11	12.08
37,178	62,487	7,878	31.15	7.95	15.86	15.58
62,487	70,976	15,762	32.98	8.66	16.86	16.49
70,976	73,622	18,562	35.39	12.16	19.88	17.70
73,622	74,357	19,498	39.41	14.49	22.59	19.71
74,357	120,887	19,788	43.41	20.29	27.59	21.71
120,887	and over	39,986	46.41	24.64	31.34	23.21

Québec

Taxable Income Range		Tax on Bottom of Range	Rate on Regular Income (%)	Rate on Eligible Dividends (%)	Rate on Ineligible Dividends (%)	Rate on Capital Gains (%)
From:	To:					
\$0	\$29,290	\$0	28.53	5.95	11.74	14.27
29,290	37,178	8,356	32.53	11.75	16.74	16.27
37,178	58,595	10,922	38.37	15.42	24.05	19.19
58,595	74,357	19,140	42.37	21.22	29.05	21.19
74,357	120,887	25,818	45.71	26.07	33.22	22.86
120,887	and over	47,087	48.22	29.70	36.35	24.11

New Brunswick

Taxable Income Range		Tax on Bottom of Range	Rate on Regular Income (%)	Rate on Eligible Dividends (%)	Rate on Ineligible Dividends (%)	Rate on Capital Gains (%)
From:	To:					
\$0	\$34,186	\$0	25.12	0.00	8.11	12.56
34,186	37,178	8,588	30.48	5.05	14.81	15.24
37,178	68,374	9,499	37.48	9.45	23.56	18.74
68,374	74,357	21,192	38.80	11.36	25.21	19.40
74,357	111,161	23,513	42.80	17.16	30.21	21.40
111,161	120,887	39,265	43.95	18.83	31.65	21.98
120,887	and over	43,540	46.95	23.18	35.40	23.48

2007 Combined Federal and Provincial/Territorial Tax Brackets

Nova Scotia

Taxable Income Range		Tax on Bottom of Range	Rate on Regular Income (%)	Rate on Eligible Dividends (%)	Rate on Ineligible Dividends (%)	Rate on Capital Gains (%)
From:	To:					
\$0	\$29,590	\$0	23.79	0.00	3.45	11.90
29,590	37,178	7,039	29.95	8.85	11.15	14.98
37,178	59,180	9,312	36.95	13.25	19.90	18.48
59,180	74,357	17,442	38.67	15.74	22.05	19.34
74,357	80,973	23,311	42.67	21.54	27.05	21.34
80,973	93,000	26,134	44.34	22.67	28.17	22.17
93,000	120,887	31,466	45.25	24.00	29.31	22.63
120,887	and over	44,085	48.25	28.35	33.06	24.13

Prince Edward Island

Taxable Income Range		Tax on Bottom of Range	Rate on Regular Income (%)	Rate on Eligible Dividends (%)	Rate on Ineligible Dividends (%)	Rate on Capital Gains (%)
From:	To:					
\$0	\$31,369	\$0	24.80	0.00	6.21	12.40
31,369	37,178	7,780	28.80	4.79	11.21	14.40
37,178	62,739	9,453	35.80	9.19	19.96	17.90
62,739	74,357	18,603	38.70	13.39	23.58	19.35
74,357	75,839	23,100	42.70	19.19	28.58	21.35
75,839	120,887	23,732	44.37	20.09	29.86	22.19
120,887	and over	43,720	47.37	24.44	33.61	23.69

Newfoundland and Labrador

Taxable Income Range		Tax on Bottom of Range	Rate on Regular Income (%)	Rate on Eligible Dividends (%)	Rate on Ineligible Dividends (%)	Rate on Capital Gains (%)
From:	To:					
\$0	\$29,886	\$0	24.64	4.34	7.88	12.32
29,886	37,178	7,364	29.98	12.08	14.56	14.99
37,178	59,772	9,550	36.98	16.48	23.31	18.49
59,772	62,469	17,905	39.26	19.78	26.16	19.63
62,469	74,357	18,964	40.04	20.48	26.85	20.02
74,357	120,887	23,724	44.04	26.28	31.85	22.02
120,887	and over	44,216	47.04	30.63	35.60	23.52

Yukon

Taxable Income Range From: To:		Tax on Bottom of Range	Rate on Regular Income (%)	Rate on Eligible Dividends (%)	Rate on Ineligible Dividends (%)	Rate on Capital Gains (%)
\$0	\$37,178	\$0	22.04	0.00	5.32	11.02
37,178	74,357	8,194	31.68	4.40	17.37	15.84
74,357	77,961	19,972	37.44	10.84	24.57	18.72
77,961	120,887	21,322	38.01	10.87	25.01	19.01
120,887	and over	37,639	42.40	17.23	30.49	21.20

Northwest Territories

Taxable Income Range From: To:		Tax on Bottom of Range	Rate on Regular Income (%)	Rate on Eligible Dividends (%)	Rate on Ineligible Dividends (%)	Rate on Capital Gains (%)
\$0	\$35,315	\$0	20.90	0.00	2.08	10.45
35,315	37,178	7,381	23.60	0.00	5.33	11.80
37,178	70,631	7,821	30.60	4.40	14.08	15.30
70,631	74,357	18,057	34.20	5.42	18.58	17.10
74,357	114,830	19,331	38.20	11.22	23.58	19.10
114,830	120,887	34,792	40.05	13.90	25.90	20.03
120,887	and over	37,218	43.05	18.25	29.65	21.53

Nunavut

Taxable Income Range From: To:		Tax on Bottom of Range	Rate on Regular Income (%)	Rate on Eligible Dividends (%)	Rate on Ineligible Dividends (%)	Rate on Capital Gains (%)
\$0	\$37,178	\$0	19.00	0.00	2.08	9.50
37,178	74,357	7,064	29.00	5.56	14.58	14.50
74,357	120,887	17,846	35.00	14.26	22.08	17.50
120,887	and over	34,131	40.50	22.24	28.96	20.25

Non-Resident

Taxable Income Range From: To:		Tax on Bottom of Range	Rate on Regular Income (%)	Rate on Eligible Dividends (%)	Rate on Ineligible Dividends (%)	Rate on Capital Gains (%)
\$0	\$37,178	\$0	22.20	--	--	11.10
37,178	74,357	8,254	32.56	--	--	16.28
74,357	120,887	20,359	38.48	--	--	19.24
120,887	and over	38,264	42.92	--	--	21.46

	Fed.	B.C.	Alta.	Sask.	Man.	Ont.	Qué.
Tax Credit Multiplier	15.00%	5.70%	10.00%	11.00%	10.90%	6.05%	20.00%
Personal	\$9,600	\$9,027	\$15,435	\$8,778	\$7,834	\$8,553	\$6,650 ⁽³⁾
Spouse/Common-law partner Reduction threshold	9,600 -	7,729 773	15,435 -	8,778 878	6,482 649	7,262 726	⁽⁴⁾
Eligible dependant Reduction threshold	9,600 -	7,729 773	15,435 -	8,778 878	6,482 649	7,262 726	⁽⁵⁾
Child ⁽¹⁾	2,000	-	-	2,743	-	-	-
Age Reduction - 15% of income over	5,177 30,936	4,048 30,132	4,301 32,020	4,156 ⁽²⁾ 30,936	3,728 27,749	4,176 31,088	2,200 29,290 ⁽⁶⁾
Disability Self Dependant (maximum) ⁽¹⁾	6,890 10,909	6,770 10,720	7,131 11,291	6,890 10,909	6,180 9,785	6,910 10,941	2,295 2,295
Disabled/infirm dependant Age 18 and over Reduction threshold	4,019 5,702	3,949 6,292	4,160 5,902	4,019 5,702	3,605 5,115	4,031 5,731	⁽⁷⁾
Caregiver Reduction threshold	4,019 13,726	3,949 13,368	4,160 14,206	4,019 13,726	3,605 12,312	4,031 13,792	⁽⁷⁾
Pension income	2,000	1,000	1,189	1,000	1,000	1,183	1,500 ⁽⁶⁾
Education (and Textbook) ⁽⁸⁾ Full-time amount per month Part-time amount per month	465 140	200 60	600 180	400 120	400 120	461 138	N/A N/A
CPP/QPP credit (max. amt.)	1,990	1,990	1,990	1,990	1,990	1,990	⁽³⁾
EI (max. amt.)	720	720	720	720	720	720	⁽³⁾
Canada employment (max. amt.)	1,000	-	-	2,743	-	-	-
Other	Payment	Payment	Payment	Payment	Payment	Payment	Payment
Medical Reduction threshold	Amt. Pd. 1,926	Amt. Pd. 1,877	Amt. Pd. 1,994	Amt. Pd. 1,926	Amt. Pd. 1,728	Amt. Pd. 1,936	Amt. Pd. -
Adoption expenses (max. amt.)	10,445	10,445	10,557	-	10,000	10,220	⁽⁹⁾
Children's fitness (max. amt.) ⁽¹⁰⁾ If disabled	500 1,000	- -	- -	- -	500 1,000	- -	- -
Charitable donations On first \$200 On balance	15.50% 29.00%	5.70% 14.70%	10.00% 21.00%	11.00% 15.00%	10.90% 17.40%	6.05% 11.16%	20.00% 24.00%
Ineligible dividend tax credit - on actual amount received	16.667%	6.375%	6.875%	7.5%	4.5875%	6.4125%	10%
Eligible dividend tax credit - on actual amount received	27.5 %	17.4 %	11.6%	15.95%	15.95%	9.715%	17.255%

Notes:

- (1) Except for Québec, the credit is for minor dependants and is subject to a reduction based on child care and disability supports expenses. In Québec, the credit is for an infirm dependant of any age.
- (2) Every senior who resides in Saskatchewan can claim the senior supplementary amount of \$1,097, regardless of their estimated income.
- (3) A complementary amount is added to the basic amount of \$6,650 equal to the greater of \$3,095 and the total of the employee's employment insurance premiums (max. \$584), QPP contributions (max. \$1,990) QPIP premiums (max. \$245) and contributions to the Health Services Fund (max. \$1,000).
- (4) Under Québec's non-refundable tax credit system, certain unused personal credits of either spouse are transferable to the other spouse.
- (5) Québec offers several additional credits, as follows:
- ◆ Individual living alone - credit amount \$1,180; an individual living with an eligible student as a single-parent family may add an amount of \$1,465 if certain criteria is met
 - ◆ Amount for children of full age (18 or older) who are full-time students - \$2,705 with an additional amount of \$230 for the child designated as the first dependant child (if the child is of full age and the individual does not have any children who are minors)
 - ◆ Amount for other adult dependants - \$2,705 (no infirmity test)
 - ◆ Amount for a child engaged in full-time professional training or post-secondary studies - \$1,860 per term (maximum 2 terms); subject to reduction based on proposed amount of 80% of child's income (instead of full amount of child's income).
 - ◆ Amount for a single parent family - \$1,465

Note that the basic amount representing dependent children, the tax reduction for families and the tax credit for child care expenses are now paid to eligible recipients as child assistance payments on quarterly basis.

	N.B.	N.S.	P.E.I.	Nfld.	Yukon	N.W.T.	Nunavut
Tax Credit Multiplier	10.12%	8.79%	9.80%	9.64%	7.04%	5.90%	4.00%
Personal	\$8,239	\$7,481	\$7,560	\$7,484	\$8,929	\$12,125	\$11,149
Spouse/Common-law partner Reduction threshold	6,996 700	6,352 635	6,420 642	6,116 612	8,929 -	12,125 -	11,149 -
Eligible dependant Reduction threshold	6,996 700	6,352 635	6,420 642	6,116 612	8,929 -	12,125 -	11,149 -
Child ⁽¹¹⁾	-	-	-	-	-	-	-
Age Reduction - 15% of income over	4,023 29,948	3,653 27,193	3,691 27,480	3,517 26,180	5,177 30,936	5,931 30,936	8,361 30,936
Disability Self Dependant (maximum) ⁽¹⁾	6,670 10,561	4,441 7,484	5,400 8,415	5,050 7,427	6,890 10,909	9,833 13,852	11,149 15,168
Disabled/infirm dependant Age 18 and over Reduction threshold	3,891 5,520	2,468 5,013	2,446 4,966	2,377 5,108	4,019 5,702	4,019 5,702	4,019 5,702
Caregiver Reduction threshold	3,891 13,288	4,320 12,064	2,446 11,953	2,377 11,615	4,019 13,726	4,019 13,726	4,019 13,726
Pension income	1,000	1,035	1,000	1,000	2,000	1,000	1,000
Education (and Textbook) ⁽⁸⁾ Full-time amount per month Part-time amount per month	400 120	200 60	400 120	200 60	465 140	400 120	400 120
CPP/QPP credit (max. amt.)	1,990	1,990	1,990	1,990	1,990	1,990	1,990
EI (max. amt.)	720	720	720	720	720	720	720
Canada employment (max. amt.)	-	-	-	-	1,000	-	-
Other	Payment	Payment	Payment	Payment	Payment	Payment	Payment
Medical Reduction threshold	Amt. Pd. 1,864	Amt. Pd. 1,637	Amt. Pd. 1,678	Amt. Pd. 1,630	Amt. Pd. 1,926	Amt. Pd. 1,926	Amt. Pd. 1,926
Adoption expenses (max. amt.)	-	-	-	10,000	10,220	-	-
Children's fitness (max. amt.) ⁽¹⁰⁾ If disabled	- -	500 500	- -	- -	- -	- -	- -
Charitable donations On first \$200 On balance	10.12% 17.95%	8.79% 17.50%	9.80% 16.70%	9.64% 17.26%	7.04% 12.76%	5.90% 14.05%	4.00% 11.50%
Ineligible dividend tax credit - on actual amount received	6.625%	9.625%	8.125%	6.25%	5.5625%	7.5%	5%
Eligible dividend tax credit - on actual amount received	17.4%	12.8325%	15.225%	9.6425%	15.95%	16.675%	8.99%

- (6) The sum of Québec pension credit amount, age amount and living alone amount is subject to a reduction of 15% of family net income over \$29,290.
- (7) The tax credit respecting a dependent child with an impairment was replaced, as of the 2006 taxation year, by an improved supplement for handicapped children. The various measures for natural caregivers of adults will be replaced by a refundable tax credit, as of the 2006 taxation year.
- (8) The Federal Textbook Tax Credit (introduced in 2006) and the Yukon Textbook Tax Credit (new for 2007) has been added to their respective Education credit amount (\$65 per month for full-time; \$20 per month for part-time).
- (9) Québec provides a refundable tax credit with respect to eligible expenses incurred to adopt a child where certain conditions are met. This credit is equal to 30% of the eligible expenses to a maximum credit of \$6,000 per child.
- (10) The federal Children's Fitness Tax Credit (new for 2007) is based on eligible fees for the enrollment of a child under 16 years of age in an eligible program of physical activity. For children under 18 years of age who qualify for the disability tax credit, the federal amount will be based on a higher maximum. Manitoba has indicated that it will parallel the federal credit. Nova Scotia has a Sport and Recreation Activity Tax Credit that has been available since July 1, 2005.
- (11) The new federal Child Tax Credit (new for 2007) will be based on \$2,000 for each child under the age of 18 years at the end of the taxation year. Saskatchewan has a similar credit.

2007 Personal Tax Quick Estimate Table

Estimates include basic personal tax credit. For other tax credits, see pages 12 and 13. Low-income tax reductions and refundable provincial/territorial credits are not included.

Income Level	B.C.	Alta.	Sask.	Man.	Ont.	Qué.	N.B.
10,000	115	60	194	296	148	320	238
15,000	1,150	810	1,494	1,591	1,200	1,746	1,494
20,000	2,185	2,017	2,794	2,886	2,253	3,173	2,750
25,000	3,220	3,267	4,094	4,181	3,305	4,599	4,006
30,000	4,255	4,517	5,394	5,476	4,358	6,054	5,262
35,000	5,308	5,767	6,694	6,865	5,410	7,680	6,562
40,000	6,688	7,214	8,224	8,462	6,800	9,471	8,283
45,000	8,221	8,814	9,974	10,212	8,357	11,389	10,157
50,000	9,753	10,414	11,724	11,962	9,915	13,308	12,031
55,000	11,286	12,014	13,474	13,712	11,472	15,226	13,905
60,000	12,818	13,614	15,224	15,462	13,030	17,201	15,779
65,000	14,351	15,214	16,974	17,212	14,633	19,320	17,653
70,000	15,913	16,814	18,724	19,182	16,282	21,438	19,549
75,000	17,594	18,440	20,500	21,178	18,110	23,578	21,515
80,000	19,468	20,240	22,450	23,348	20,280	25,864	23,655
85,000	21,418	22,040	24,400	25,518	22,451	28,149	25,795
90,000	23,368	23,840	26,350	27,688	24,621	30,435	27,935
95,000	25,318	25,640	28,300	29,858	26,792	32,720	30,075
100,000	27,337	27,440	30,250	32,028	28,962	35,006	32,215
105,000	29,372	29,240	32,200	34,198	31,132	37,291	34,355
110,000	31,407	31,040	34,155	36,368	33,303	39,577	36,495
115,000	33,442	33,840	36,205	38,538	35,473	41,862	38,679
120,887	35,838	34,959	38,619	41,093	38,029	44,553	41,266
Top Combined Marginal Rates							
Regular Income	43.70%	39.00%	44.00%	46.40%	46.41%	48.22%	46.95%
Dividends - Eligible	18.47%	17.45%	20.35%	23.83%	24.64%	29.69%	23.18%
Dividends - Ineligible	31.58%	25.21%	30.83%	36.75%	31.34%	36.35%	35.40%
Capital Gains	21.85%	19.50%	22.00%	23.20%	23.21%	24.11%	23.48%

Income Level	N.S.	P.E.I.	Nfld.	Yukon	N.W.T.	Nunavut
10,000	281	299	303	135	60	60
15,000	1,471	1,539	1,535	1,237	980	964
20,000	2,660	2,779	2,767	2,339	2,025	1,914
25,000	3,850	4,019	3,999	3,441	3,070	2,864
30,000	5,065	5,259	5,237	4,543	4,115	3,814
35,000	6,562	6,644	6,736	5,645	5,160	4,764
40,000	8,257	8,282	8,432	7,019	6,529	5,996
45,000	10,105	10,072	10,281	8,603	8,059	7,446
50,000	11,952	11,862	12,130	10,187	9,589	8,896
55,000	13,800	13,652	13,979	11,771	11,119	10,346
60,000	15,661	15,442	15,833	13,355	12,649	11,796
65,000	17,595	17,297	17,816	14,939	14,179	13,246
70,000	19,528	19,232	19,818	16,523	15,709	14,696
75,000	21,488	21,193	21,845	18,144	17,422	16,185
80,000	23,621	23,398	24,047	20,028	19,332	17,935
85,000	25,822	25,616	26,249	21,929	21,242	19,685
90,000	28,039	27,835	28,451	23,829	23,152	21,435
95,000	30,274	30,053	30,653	25,730	25,062	23,185
100,000	32,536	32,272	32,855	27,631	26,972	24,935
105,000	34,799	34,490	35,056	29,531	28,882	26,685
110,000	37,061	36,709	37,258	31,432	30,792	28,435
115,000	39,324	38,927	39,460	33,332	32,705	30,185
120,887	41,987	41,539	42,053	35,570	35,063	32,245
Top Combined Marginal Rates						
Regular Income	48.25%	47.37%	47.04%	42.40%	43.05%	40.50%
Dividends - Eligible	28.35%	24.44%	30.63%	17.23%	18.25%	22.24%
Dividends - Ineligible	33.06%	33.61%	35.60%	30.49%	29.65%	28.96%
Capital Gains	24.13%	23.69%	23.52%	21.20%	21.53%	20.25%

RRSP Contribution Limits ⁽¹⁾

Year	Dollar Limit	Income Level ⁽²⁾
2006	\$18,000	\$100,000
2007	19,000	105,556
2008	20,000	111,111
2009	21,000	116,667
2010	22,000	122,222
2011	Indexed	Indexed

(1) RRSP Contribution Limit for a year is the lesser of the dollar limit for that year and 18% of the prior year's earned income, less any pension adjustment for the prior year (reported on your T4).

(2) Earned income needed in prior year for maximum contribution.

RPP and DPSP Limits

Year	Defined Benefit RPP ⁽¹⁾	Money Purchase RPP ⁽²⁾
2006	\$2,111	\$19,000
2007	2,222	20,000
2008	2,333	21,000
2009	2,444	22,000
2010	Indexed	Indexed

(1) Maximum pension benefit per year of service.

(2) Annual contribution limit.

Note: The DPSP limit is one-half of the money purchase RPP annual contribution limit.

2007 Employment Insurance Rates and Premiums

	Maximum Yearly Insurable Earnings	Employee's Premium Rate	Employer's Premium Rate	Maximum Yearly Employee Premium	Maximum Yearly Employer Premium
All provinces except Québec	\$40,000	1.8%	2.52%	\$720.00	\$1,008.00
Québec	\$40,000	1.46%	2.044%	\$584.00	\$817.60

2007 Québec Parental Insurance Rates and Premiums

	Maximum Yearly Insurable Earnings	Employee's/ Individual's Premium Rate	Employer's Premium Rate	Maximum Yearly Employee/ Individual Premium	Maximum Yearly Employer Premium
Salaried	\$59,000	0.416%	0.583%	\$245.44	\$343.97
Self-employed	\$59,000	0.737%	-	\$434.83	-

2007 Canada Pension Plan Rates and Contributions

Maximum Pensionable Earnings	Basic Exemption	Maximum Contributory Earnings	Employee and Employer Rate	Maximum Employee/ Employer Contribution	Maximum Self-Employed Contribution
\$43,700	\$3,500	\$40,200	4.95%	\$1,989.90	\$3,979.80

2007 Corporate Income Tax Facts and Figures

The rates shown are **nominal tax rates as at July 1, 2007**. Add federal and provincial/territorial rates to get a combined rate. Rate and amount changes set out in the notes should generally be prorated for taxation years that straddle the effective dates.

	Canadian-Controlled Private Corporations (CCPCs)			Other Corporations	
	Active Business Income (ABI)		Investment Income	Manufacturing & Processing	Other
	Rate	Income Limit			
Federal	13.12%	\$400,000	35.79%	22.12%	22.12%
Provincial					
British Columbia	4.50	400,000	12.00	12.00	12.00
Alberta	3.00	430,000	10.00	10.00	10.00
Saskatchewan	4.50	450,000	13.00	10.00	13.00
Manitoba	3.00	400,000	14.00	14.00	14.00
Ontario	5.50	400,000	14.00	12.00	14.00
Québec	8.00	400,000	9.90	9.90	9.90
New Brunswick	5.00	400,000	13.00	13.00	13.00
Nova Scotia	5.00	400,000	16.00	16.00	16.00
Prince Edward Island	4.30	400,000	16.00	16.00	16.00
Newfoundland and Labrador	5.00	400,000	14.00	5.00	14.00
Yukon	4.00	400,000	15.00	2.50	15.00
Northwest Territories	4.00	400,000	11.50	11.50	11.50
Nunavut	4.00	400,000	12.00	12.00	12.00

Notes (changes before 2005 are not included):

Federal

- ◆ The rate on active business income (ABI) up to \$300,000 is subject to a clawback if prior year's taxable capital for the Large Corporations Tax exceeds \$10 million. The small business income (SBI) threshold was increased from \$300,000 to \$400,000 effective Jan. 1, 2007.
- ◆ The rate on ABI up to the SBI threshold will be reduced from 13.12% to 11.0% effective Jan. 1, 2008.
- ◆ 26 2/3% of investment income is eligible for refund at the rate of \$1 for every \$3 of dividends paid.
- ◆ Effective Jan. 1, 2008, the corporate surtax will be eliminated for all businesses and the general federal tax rate on business income will be reduced from 22.12% to 19.5% effective Jan. 1, 2008, to 19.0% effective Jan. 1, 2009, to 18.0% effective Jan. 1, 2010, to 16.5% effective Jan. 1, 2011, and to 15.0% effective Jan. 1, 2012.

British Columbia

- ◆ The SBI threshold was increased from \$300,000 to \$400,000 effective Jan. 1, 2005.
- ◆ Rate on other income was reduced from 13.5% to 12.0% effective Jul. 1, 2005.

Alberta

- ◆ Rate on other income was reduced from 11.5% to 10% effective Apr. 1, 2006.
- ◆ The SBI threshold increased from \$400,000 to \$430,000 effective Apr. 1, 2007 and will further increase to \$460,000 effective Apr. 1, 2008 and to \$500,000 effective Apr. 1, 2009.

Saskatchewan

- ◆ Rate on ABI up to the SBI threshold was reduced from 5.5% to 5.0% effective Jan. 1, 2005 and to 4.5% effective Jan. 1, 2007.
- ◆ Rate on all other income decreased from 17.0% to 14.0% effective Jul. 1, 2006 and to 13.0% effective Jul. 1, 2007. The rate will be reduced to 12.0% effective Jul. 1, 2008.

- ◆ The SBI threshold was increased from \$300,000 to \$400,000 effective Jul. 1, 2006 and to \$450,000 effective Jul. 1, 2007 and will further increase to \$500,000 effective Jul. 1, 2008.

Manitoba

- ◆ Rate on ABI up to SBI threshold was reduced from 5.0% to 4.5% effective Jan. 1, 2006 and to 3.0% effective Jan. 1, 2007. The rate will be further reduced to 2.0% effective Jan. 1, 2008 and subject to affordability, to 1.0% effective Jan. 1, 2009.
- ◆ The SBI threshold was increased from \$360,000 to \$400,000 effective Jan. 1, 2005.
- ◆ Rate on all other income was reduced from 15.5% to 15.0% effective Jan. 1, 2005, to 14.5% effective Jan. 1, 2006 and to 14.0% effective Jan. 1, 2007. The rate will be further reduced to 13.0% effective Jul. 1, 2008 and, subject to affordability, to 12.0% effective Jul. 1, 2009.

Ontario

- ◆ Lower rate on ABI is subject to clawback based on taxable income over the SBI threshold at 4.667%.

Québec

- ◆ Prior to Feb. 21, 2007, rate of 16.25% applied for non-business income. After Feb. 20, 2007, the rate on passive income was reduced to 9.9%. The rate will be increased to 11.4% effective Jan. 1, 2008 and to 11.9% effective Jan. 1, 2009.
- ◆ The rate on active business income was increased from 8.9% to 9.9% effective Jan. 1, 2006 and will further increase to 11.4% effective Jan. 1, 2008 and to 11.9% effective Jan. 1, 2009.
- ◆ Beginning Jan. 1, 2006, a small business rate of 8.5% is provided. The rate was reduced to 8.0% effective Mar. 24, 2006. The rate will apply on ABI up to an SBI threshold of \$400,000. This small business rate is subject to a clawback if taxable capital exceeds \$10 million.

New Brunswick

- ◆ Rate on ABI up to the SBI threshold was reduced from 2.5% to 2.0% effective Jul. 1, 2005 and to 1.5% effective Jul. 1, 2006. The rate was increased to 5.0% effective Jan. 1, 2007.
- ◆ The SBI threshold was increased from \$425,000 to \$450,000 effective Jul. 1, 2005 and to \$475,000 effective Jul. 1, 2006. The threshold was reduced to \$400,000 effective Jan. 1, 2007.
- ◆ Rate reduction on all other income to 12.0% effective Jan. 1, 2007 was cancelled, so the rate remains at 13.0%.

Nova Scotia

- ◆ The SBI threshold was increased from \$300,000 to \$350,000 effective Apr. 1, 2005 and to \$400,000 effective Apr. 1, 2006.

Prince Edward Island

- ◆ Rate on ABI up to the SBI threshold was reduced from 7.5% to 6.5% effective Apr. 1, 2005, to 5.4% effective Apr. 1, 2006 and to 4.3% effective Apr. 1, 2007. The rate will be further reduced annually by 1.1% effective Apr. 1 each year to 2010 – therefore, the rate will be 3.2% effective Apr. 1, 2008, 2.1% effective Apr. 1, 2009 and 1.0% effective Apr. 1, 2010.
- ◆ Rate on M&P income was increased from 7.5% to 16.0% effective Apr. 1, 2005.
- ◆ The SBI threshold follows the federal SBI threshold increase (see federal notes).

Newfoundland and Labrador

- ◆ The SBI threshold follows the federal SBI threshold increase (see federal notes).

Yukon

- ◆ Rate for ABI from M&P activities is 2.5%.
- ◆ Rate on ABI up to the SBI threshold was reduced from 6.0% to 4.0% effective Jan. 1, 2005.
- ◆ The SBI threshold follows the federal SBI threshold increase (see federal notes).

Northwest Territories

- ◆ The SBI threshold follows the federal SBI threshold increase (see federal notes).
- ◆ Rate on other income was reduced from 14.0% to 11.5% effective Jul. 1, 2006.

Nunavut

- ◆ The SBI threshold follows the federal SBI threshold increase (see federal notes).

2007 Payroll Tax

The following jurisdictions levy a payroll tax on remuneration for individuals employed in that jurisdiction. Tax rates for 2007 are listed below. Tax is payable by the employer (except for the N.W.T./Nunavut, where the employee pays the tax).

Jurisdiction	Payroll Tax Rates (%)	Notes:
Man. ⁽¹⁾	0 - 4.3	<p>1. Payroll of \$0 to \$1 million, no tax; from \$1 million to \$2 million, 4.3% of payroll over \$1 million; over \$2 million, 2.15% of total payroll. These thresholds will increase effective January 1, 2008 to \$1.25 million from \$1 million and to \$2.5 million from \$2 million.</p> <p>2. Rate of tax is 0.98% for payrolls under \$200,000 and 1.95% for payrolls over \$400,000 (graduated rates apply for payrolls between the thresholds). First \$400,000 of taxable payroll of an eligible employer (not associated) and of an associated group of eligible employers is exempt.</p> <p>3. Low rate applies for payrolls of less than \$1 million and is phased out for payrolls between \$1 million and \$5 million. Certain exemptions may apply.</p> <p>4. Tax is only charged on payrolls over \$600,000. The \$600,000 exemption is phased down to \$500,000 on payrolls between \$600,000 and \$700,000. For payrolls of \$700,000 or higher, tax is charged on remuneration over \$500,000. A rate of 1.75% applies to taxable remuneration paid in relation to a renewable resource industry.</p> <p>5. Rate increased from 1% on April 1, 2007.</p>
Ont. ⁽²⁾	0.98 - 1.95	
Qué. ⁽³⁾	2.7 - 4.26	
Nfld. ⁽⁴⁾	2.0	
N.W.T.	2.0	
Nunavut ⁽⁵⁾	2.0	

2007 Sales Tax

Jurisdiction ⁽¹⁾	Sales Tax Rates (%)	Combined Rates (%)	Notes:
Federal ⁽²⁾	6	see below	<p>1. Alberta, Nunavut, the Yukon and the Northwest Territories do not impose a sales tax.</p> <p>2. Rate decreased from 7% to 6% effective Jul. 1, 2006. The rate will decrease to 5% effective Jan. 1, 2008.</p> <p>3. Rate decreased from 7.5% effective Oct. 21, 2004.</p> <p>4. Rate decreased from 7% effective Oct. 28, 2006.</p> <p>5. Québec and P.E.I. levy sales tax on taxable goods (and services where applicable) on the actual cost including GST. Consequently, the combined tax rate in Québec is 13.95% and 16.6% in P.E.I. (to decrease to 12.875% and 15.5% respectively effective Jan. 1, 2008). All other provinces calculate PST independent of GST.</p> <p>6. These provinces have harmonized their sales tax systems with the 6% GST to produce a combined federal/provincial rate of 14%.</p>
B.C. ⁽³⁾	7	13	
Sask. ⁽⁴⁾	5	13	
Man.	7	13	
Ont.	8	14	
Qué. ⁽⁵⁾	7.5	13.95	
N.B., N.S. & Nfld. ⁽⁶⁾	8	14	
P.E.I. ⁽⁵⁾	10	16.6	

2007 Capital Taxes

The following jurisdictions levy capital tax on corporate taxable capital employed by a corporation doing business through a permanent establishment in their jurisdiction. The following rates are as at July 1, 2007. Note that the rates and rules discussed can vary where the corporation is related or associated with other corporations.

Jurisdiction	General (%)	Financial Institutions (%)	Notes:
Federal - LCT	-- ⁽¹⁾	-- ⁽¹⁾	<p>1. Fed.- The Large Corporations Tax (LCT) was eliminated effective Jan. 1, 2006. The Financial Institutions Capital Tax (FIT) changed to a single rate of 1.25% on taxable capital over \$1 billion effective Jul. 1, 2006.</p> <p>2. Sask.- Capital tax reduction for all corporations other than provincial Crown corporations and financial institutions to be phased-in until the tax is eliminated by Jul. 1, 2008 (qualifying new capital invested after Jun. 30, 2006 was not subject to capital tax). Current rate decreased from 0.3% on Jul. 1, 2007. Taxable capital up to \$20 million may be exempt. The special surcharge on resource trusts will be reduced by 2008.</p> <p>3. Man.- Rate is 0.3% on the first \$10 million of taxable capital (net of the deduction) plus 0.5% on the excess. A \$10 million deduction from capital applies. For taxable capital between \$20 and \$21 million, the tax is \$30,000 plus 2.5% of the taxable capital between these two amounts. Subject to affordability, the rates will decrease for fiscal years commencing after Jul. 1, 2008.</p> <p>4. Ont.- Capital tax reduction to be phased-in until the tax is eliminated by Jul. 1, 2010. A \$12.5 million deduction from taxable capital applies which will increase to \$15 million on Jan. 1, 2008. The rates for financial institutions are to be reduced gradually and eliminated in 2010.</p> <p>5. Qué.- The rate reduction will be phased-in until it is 0.29% on Jan. 1, 2009. The deduction from paid-up capital is \$1 million, but is partially reduced where paid-up capital is between \$1 million and \$4 million.</p> <p>6. N.B.- No tax is payable on the first \$5 million of taxable capital. Capital tax reduction to be phased-in until the tax is eliminated by Jan. 1, 2009.</p> <p>7. N.S.- No tax is payable on the first \$5 million of taxable capital. If taxable capital exceeds \$10 million, the rate is 0.225% with no exemption. The rate reduction to 0.225% from 0.25% is effective Jul. 1, 2007. This rate will be subject to a phased-in reduction until the tax is eliminated by Jul. 1, 2012. If taxable capital is between \$5 million and \$10 million, the rate is doubled and applied after netting the \$5 million exemption.</p>
Federal - FIT	--	1.25 ⁽¹⁾	
B.C.	--	1.0 to 3.0	
Alta.	--	--	
Sask.	0.15 ⁽²⁾	0.7 or 3.25	
Man.	0.3 or 0.5 ⁽³⁾	3.0	
Ont.	0.285 ⁽⁴⁾	0.57 or 0.855/0.684	
Qué.	0.49 ⁽⁵⁾	1.23	
N.B.	0.2 ⁽⁶⁾	3.0	
N.S.	0.225 or 0.45 ⁽⁷⁾	4.0	
P.E.I.	--	5.0	
Nfld.	--	4.0	

2007 Capital Cost Allowance Rates for Common Business Assets

The Capital Cost Allowance (CCA) rates are provided below for common business assets. This chart is only provided as a guide and the class description in the Income Tax Regulations should always be reviewed for applicability based on acquisition date of the asset, limitations and/or transitional rules. Unless noted, the rates below represent the tax depreciation rate that applies on a declining balance basis. Note that the assets are generally subject to a half-year rule that limits the CCA claim in the year of acquisition to half the rate shown below.

Common Business Assets	Class	Rate
Aircraft	9	25%
Automobiles, vans, trucks, tractors (except for taxis, automobiles used for lease or rent or passenger vehicles with a cost in excess of a prescribed limit - see below)	10	30%
Automobiles that are passenger vehicles costing more than a prescribed limit (\$30,000 before GST/HST/PST if acquired after 2000)	10.1	30%
Automobiles for lease or rental (including taxis)	16	40%
Boats and ships	7	15%
Buildings of brick, stone or cement acquired after 1987	1	4%
Buildings - certain frame, stucco or metal structures (a number of conditions apply)	6	10%
Computer hardware and systems software acquired after March 22, 2004	45	45%
Computer software (other than systems software)	12	100%
Data network infrastructure equipment acquired after March 22, 2004	46	30%
Dies, jigs, patterns, moulds, etc.	12	100%
Fences	6	10%
Furniture and fixtures - office and general	8	20%
Land	--	nil
Leasehold improvements	13	⁽¹⁾
Machinery and equipment including furniture, photocopiers, telephones, fax machines	8	20%
Manufacturing and processing machinery and equipment acquired after February 25, 1992	43	30%
Parking lots, paving and sidewalks	17	8%
Patents, franchises, concessions or licences for a limited period	14	⁽²⁾
Patents or use of patents (unlimited life)	44	25%
Tools costing less than \$500 (\$200 if acquired before May 2, 2006)	12	100%
Tools costing more than \$500 (\$200 if acquired before May 2, 2006)	8	20%
Uniforms	12	100%

⁽¹⁾ Leasehold improvements are written off over the life of the lease (subject to a maximum deduction that is generally 20% of the capital cost in any one year).

⁽²⁾ These assets are written off over their effective life.