

## CANTAX T1Plus 2007 versions

December 2007

### Introduction

This tax changes summary was prepared to allow you to evaluate the impact of the tax changes on your tax season.

This document takes into account the October 30, 2007, Federal Economic Statement from the Department of Finance.

### T1 - Income Tax and Benefit Return - What's New for 2007

#### Identification section

##### Elections Canada

A question has been added to enable the CRA to identify Canadian citizens.

Henceforth, only a taxpayer identified as a Canadian citizen will be able to answer the question with respect to the National Register of Electors in the affirmative.

#### Total income section

##### Line 116 – Elected split-pension amount – New line

Starting in 2007, a taxpayer can elect to split his or her pension income with his or her spouse. The new Form T1032, *Joint Election for Pension Income-Splitting* provides the terms and conditions for the new rules used to determine the split amount.

When a taxpayer (the pensioner) elects to split his or her pension income, his or her spouse (the transferee) must enter on the new line 116 the split-pension amount from line E of Form T1032 completed by the pensioner. This form signed by the pensioner and the transferee must be attached to both the pensioner's and the transferee's paper filed return. When the returns are electronically filed (EFILE), the form duly signed by both parties must be retained to be provided on demand.

The transferee's income will take into account income from line 116 of his or her return.

##### Line 117 – Universal Child Care Benefit (UCCB) - Specification

The UCCB is taxable for the parent with the lower net income.

The CRA specified that in order to avoid a problem of circularity in the net income calculation, the net income calculation for purposes of determining which spouse must include the UCCB in income, would be calculated without

taking into account social assistance benefits and the child care expenses deduction.

##### Line 127 – Taxable capital gains – Donations to private foundations

The capital gains inclusion rate is defaulted to zero for charitable donations of publicly traded securities made after March 18, 2007, to eligible private foundations.

##### Line 130 – Other income – Scholarships, bursaries and fellowships

In 2006, the full amount of scholarships, bursaries and fellowships received by the taxpayer as a student in a program eligible for the education amount (T2202) for the taxation year was not taxable.

Starting in 2007, this amount will not be taxable to the extent that it was received in the framework of a program eligible for the education amount (T2202) for the current taxation year, for the previous taxation year or for the subsequent taxation year in which the scholarship was received.

Furthermore, starting in 2007, scholarships and fellowships for education in a primary or secondary school will no longer be taxable.

It is important to note that the amount for an apprenticeship incentive grant in box 30 of the T4A slip must be included on line 130. This amount qualifies as earned income when calculating the child care expenses deduction.

##### Line 135 – Business income

##### Meal expenses for long-haul truck drivers

The deductible portion for certain meal expenses (food and beverages) consumed by long-haul truck drivers, during eligible periods of travel, has been increased from 50% to 60% for expenses incurred as of March 19, 2007, until December 31, 2007 inclusive. This rate will increase to 65% in 2008 and will be increased, over five years, to reach 80% in 2011.

An eligible period of travel is a period of at least 24 continuous hours during which the truck driver is away from the municipality where he resides and must be transporting goods to, or from, a location beyond a radius of at least 160 kilometres from the residential or business location, as the case may be.

## Net income section

### Line 208 – RRSP deduction – Age limit

The age limit to contribute to an RRSP has been increased from 69 to 71 years of age. After the end of the year in which the taxpayer becomes 71 years of age, neither the taxpayer nor his or her spouse can contribute to an RRSP of which the taxpayer is the beneficiary. However, this taxpayer can contribute to a spousal RRSP until the end of the year in which the spouse reaches 71 years of age and claim a deduction for these contributions, as long as the taxpayer has sufficient unused contribution room for his or her RRSP.

Furthermore, after March 18, 2007, new securities were added to the list of eligible investments.

### Line 210 – Elected split-pension amount – New Form T1032 – *Joint Election to Split Pension Income* - New line

Starting in 2007, a taxpayer can elect to split his or her pension income with his or her spouse. The new Form T1032, *Joint Election for Pension Income-Splitting* provides the terms and conditions for the new rules used to determine the split amount.

When a taxpayer (the pensioner) elects to split his or her pension income with his or her spouse (the transferee), he or she must enter on the new line 210 of his or her return the split income amount that he or she indicated on line E of Form T1032.

This form, signed by both the pensioner and the transferee, must be attached to both the pensioner's and the transferee's paper copy of the return. When returns are filed electronically (EFILE), the form, duly signed by both parties, must be retained to be provided on demand.

The pensioner's net income will be reduced from the amount entered on line 210 of his or her return.

### Line 213 – Universal Child Care Benefit repayment (UCCB) – New line

A taxpayer may have had to repay a UCCB amount that he or she or another person had reported in his or her income in 2006. The person that reported the UCCB in his or her income in 2006 can deduct this amount repaid. This amount is reported in box 12 of the RC62 - *Universal Child Care Benefit* slip.

### Line 214 – Child care expenses vs. Children's fitness

When expenses are eligible for a deduction for child care expenses and also give entitlement to the children's fitness amount (see line 365), the expenses must be deducted as child care expenses. Any unused portion can be claimed for children's fitness, as long as the other conditions are met.

### Line 224 – Exploration and development expenses

Starting in January 2007, the resource allowance is no longer deductible. Note that this deduction has been gradually reduced decreasing from 25% to 8.75% between 2003 and 2006.

### Line 229 – Other employment expenses - Meal expenses for long-haul truck drivers

The deductible portion for certain meal expenses (food and beverages) consumed by long-haul truck drivers, during eligible periods of travel, has been increased from 50% to 60% for expenses incurred as of March 19, 2007, until December 31, 2007, inclusive. This rate will increase to 65% in 2008 and will be increased, over five years, to reach 80% in 2011.

An eligible period of travel is a period of at least 24 continuous hours during which the truck driver is away from the municipality where he resides and must be transporting goods to, or from, a location beyond a radius of at least 160 kilometres from the residential or business location, as the case may be.

### Line 249 – Security options deductions – Donations to private foundations

A taxpayer is eligible to claim a deduction for donating securities acquired through stock options received from his or her employer. Starting in 2007, this additional deduction will also apply to donations made after March 18, 2007, to eligible private foundations.

### Line 254 – Capital gains deduction – Threshold increase

The current threshold for lifetime capital gains exemption on up to \$500,000 of capital gains realized on the disposition of qualified farm and fishing property or qualified small business corporation's shares after March 18, 2007, will be increased to \$750,000.

### Line 255 – Northern residents deductions

The municipal district of Mackenzie in British Columbia has been added to the list of prescribed intermediate zones.

## Schedule 1 – Non-Refundable Tax Credits and Income Tax on Taxable Income

### Line 303 – Spouse or common-law partner amount

A taxpayer can claim this amount if, at any time in the year, he or she supported his or her spouse or common-law partner and his or her net income was less than \$9,600.

In 2006, the first \$751 of the spouse's income did not reduce the spouse or common-law partner amount. This net income threshold is eliminated for 2007 and subsequent years.

### Line 305 – Amount for an eligible dependant

As the *Spouse or common-law partner amount*, the net income threshold is eliminated for 2007 and subsequent years for the purpose of the *Amount for an eligible dependant*.

### Line 314 – Pension income amount – Pension income splitting

When a taxpayer (the pensioner) elects to split his or her pension income with his or her spouse, the allocated income amount reduces his or her pension amount eligible for the purpose of the pension income amount.

For the spouse (the transferee), the amount thus allocated will constitute pension income eligible for the pension income amount to the extent that this income would have been an eligible pension income if it would have been paid to him or her directly.

The new Form T1032, *Joint Election for Pension Income-Splitting* provides a section to determine the pension income amount for the pensioner and the transferee.

### Line 326 – Amounts transferred from your spouse or common-law partner – Amount for children born in 1990 or later

Schedule 2, *Federal Amounts Transferred From Your Spouse or Common-Law Partner* has been modified to include the new *Amount for children born in 1990 or later* (see line 367) in the list of credits not used by the spouse that can be transferred to the taxpayer.

### Line 363 – Canada employment amount – Increase

The amount has been increased to \$1,000.

### Line 364 – Public transit passes amount

A taxpayer can claim an amount for the cost of monthly public transit passes or passes of longer duration.

Starting in 2007, the taxpayer can also claim the cost of shorter duration passes if each pass entitles to unlimited travel for an uninterrupted period of at least 5 days. A sufficient number of these unlimited transit passes must be purchased to cover 20 days within a period of 28 days.

Furthermore, starting in 2007, the taxpayer can claim an amount for the cost of an electronic payment card used for at least 32 one-way trips during an uninterrupted period not exceeding 31 days.

### Line 365 – Children's fitness amount – New credit

A taxpayer is entitled to a maximum credit of \$500 per year per child for expenses incurred in 2007 to enrol his or her child in a program of prescribed physical activity. The child must be under 16 years of age at the beginning of the year, or under 18 years of age at the beginning of the year if he or she is disabled.

The taxpayer can claim an additional amount of \$500 for each disabled child as long as eligible expenses of at least \$100 were paid for this child.

When expenses are eligible for a deduction for child care expenses and also give entitlement to the children's fitness amount (see line 365), the expenses must be deducted as child care expenses. Any unused portion can be claimed for children's fitness, as long as the other conditions are met.

Organizations that offer eligible programs must issue receipts. The taxpayer must keep these receipts in case the government asks to see them.

### Line 367 – Amount for children born in 1990 or later – New credit

Starting in 2007, an amount of \$2,000 can be claimed for each child who is under 18 at the end of the year. The full amount can be claimed in the year of birth, death or adoption of the child.

When the child lives with both parents throughout the year, one of the parents can claim the amount.

If the child does not reside with both parents throughout the year, the parent or the spouse or common-law partner who claims the amount for an eligible dependant for that child, can claim this amount.

When the parent's personal credits exceed his or her taxable income, he or she is entitled to transfer the unused amount to his or her spouse (see line 326).

### Line 405 – Federal foreign tax credit – Technical change

The section "Federal foreign tax credit" has been removed from Schedule 1, *Federal Tax*. The credit amount remains on line 405 of Schedule 1. The details of the credit calculation can now be found on Form T2209, *Federal Foreign Tax Credit*.

### Line 412 – Investment tax credit

Starting in 2007, an investment tax credit is available for the taxpayer creating one or several child care spaces for his or her employees' children and for other children. This new non-refundable investment tax credit for employers will equal 25% of the eligible expenses incurred after March 18, 2007, up to a maximum of \$10,000 per child care space created in an authorized establishment for child care.

### Line 437 – Total income tax deducted

When a taxpayer (the pensioner) elects to split his or her pension income, the source deductions applied to the income portion thus allocated to his or her spouse (the transferee) are presumed having been withheld on account of this spouse (the transferee).

The amount entered on Form T1032, *Joint Election for Pension Income-Splitting* for income tax withheld relating to split income must be applied as a reduction from the tax withheld for the taxpayer (the pensioner) and as an increase of the tax withheld for his or her spouse (the transferee).

It is interesting to note that the taxpayer cannot ask the pension payer for a reduction of the tax withholding to take into account the fact that he or she invokes the new rules on pension income.

### **Line 453 – Working income tax benefit (WITB) – New Schedule 6 – New refundable credit**

The WITB is for individuals or low-income families that earned self-employment or employment income of at least \$3,000. The credit equals 20% of the earned income exceeding \$3,000, up to a maximum of \$500 for a taxpayer living alone without an eligible dependant and \$1,000 for an individual with an eligible spouse or an eligible dependant.

The credit is progressively deductible based on the net family income exceeding \$9,500 for a single taxpayer and \$14,500 for a taxpayer with a spouse or an eligible dependant.

An additional credit of \$250 is added for a disabled person.

The eligibility criteria and the calculation method can be found on the new Schedule 6, *Working Income Tax Benefit*.

### **2008 Tax Instalment**

For 2008 and subsequent years, the instalment threshold for individuals is now \$3,000 (\$1,900 for Québec residents).

## Federal Tax Income Rate



## 2007 FEDERAL TAX RATES

Taxable income	Tax is	Rates
On the first \$37,178	N/A	15%
More than \$37,178 but not exceeding \$74,357	\$5,577	22%
More than \$74,357 but not exceeding \$120,887	\$13,756	26%
More than \$120,887	\$25,854	29%



## 2007 FEDERAL NON-REFUNDABLE TAX CREDITS

	2007	2006
<b>Basic personal amount</b>	\$9,600	\$8,839
<b>Age amount</b>		
Maximum amount	\$5,177	\$5,066
Net income amount	\$30,936	\$30,270
Reduction rate	15%	15%
<b>Spouse or common-law partner amount or Amount for an eligible dependant</b>		
Base amount	\$9,600	\$8,256
Maximum amount	\$9,600	\$7,505
<b>Amount for children born in 1990 or after</b>		
Amount per child	\$2,000	N/A
<b>Amount for infirm dependants age 18 or older</b>		
Base amount	\$9,721	\$9,513
Maximum amount	\$4,019	\$3,933
<b>CPP/QPP contributions</b>		
Maximum pensionable earnings	\$43,700	\$42,100
Basic exemption	\$3,500	\$3,500
<b>Employee</b>		
Rate	4.95%	4.95%
Maximum annual contributions	\$1,989.90	\$1,910.70
<b>Self-employed</b>		
Rate	9.90%	9.90%
Maximum annual contributions	\$3,979.80	\$3,821.40
<b>Employment Insurance premiums</b>		
Maximum insurable earnings	\$40,000	\$39,000
Low income earners threshold	\$2,000	\$2,000
<b>Province of employment other than Québec</b>		
Premium rate	1.80%	1.87%
Maximum annual premium	\$720.00	\$729.30
<b>When province of employment is Québec</b>		
Premium rate	1.46%	1.53%
Maximum annual premium	\$584.00	\$596.70

<b>Provincial Parental Insurance Plan (PPIP)</b>		
Minimum insurable income	\$2,000	\$2,000
Maximum insurable income	\$59,000	\$57,000
<b>PPIP premiums payable on employment income</b>		
PPIP premium rate	0.416%	0.416 %
PPIP maximum premium (Employee)	\$245.44	\$237.12
<b>PPIP premiums payable on self-employment income</b>		
PPIP premium rate	0.737%	0.737%
PPIP maximum premium (Self-employment)	\$434.83	\$420.09
Deduction rate for PPIP premium	43.555%	43.555%
<b>Canada employment amount</b>	\$1,000	\$250
<b>Public transit amount</b>	Unlimited	Unlimited
<b>Children's fitness amount</b>		
Maximum per child	\$500	N/A
Additional amount for disabled child	\$500	N/A
<b>Pension income amount</b>	\$2,000	\$2,000
<b>Adoption expenses</b>		
Maximum amount	\$10,445	\$10,220
<b>Caregiver amount</b>		
Base amount	\$17,745	\$17,363
Maximum amount	\$4,019	\$3,933
<b>Disability amount</b>		
Supplement for persons under 18	\$6,890	\$6,741
Limit regarding child care expenses and attendant care expenses	\$4,019	\$3,933
	\$2,354	\$2,303
<b>Interest paid on your student loans</b>	Unlimited	Unlimited
<b>Tuition, education, and textbook amounts</b>		
Education - Full-time/month	\$400	\$400
Education - Part-time/month	\$120	\$120
Textbook - Full-time/month	\$65	\$65
Textbook - Part-time/month	\$20	\$20
Maximum transferable	\$5,000	\$5,000
<b>Medical expenses and allowable amount for other dependants</b>		
Medical expenses paid minus the lesser of 3% of the net income	\$1,926	\$1,884
Maximum claim for medical expenses for other dependants	\$10,000	\$10,000
<b>Donations and gifts</b>		
First \$200	15%	15.25%
More than \$200	29%	29%

## Dividends tax credit - Rate for 2007

### Gross-up rate

Eligible dividends	45%
Dividends other than eligible dividends	25%

Eligible dividends													
Federal	AB	BC	MB	NB	NL	NS	NT	NU	ON	PE	QC	SK	YT
18.9655%	8.00%	12.00%	11.00%	12.00%	6.65%	8.85%	11.50%	6.20%	6.70%	10.50%	11.90%	11.00%	11.00%
Dividends other than eligible dividends													
Federal	AB	BC	MB	NB	NL	NS	NT	NU	ON	PE	QC	SK	YT
13.3333%	5.50%	5.10%	3.67%	5.30%	5.00%	7.70%	6.00%	4.00%	5.13%	6.50%	8.00%	6.00%	4.45%

## Provincial Tax Changes


### ALBERTA

#### What's new for 2007?

- Calculation of the non-refundable tax credit for donations has changed and can now be found in the *Provincial Worksheet*.
- Form T79, *Alberta Royalty Tax Rebate (Individuals)* is abolished as a result of the federal government's decision to abolish the allocation relating to resources.

#### PROVINCIAL TAX RATES

- 10% of the taxable income


 ALBERTA NON-REFUNDABLE TAX CREDITS	2007	2006
<b>Basic personal amount</b>	\$15,435	\$14,899
<b>Age amount</b>		
Maximum amount	\$4,301	\$4,152
Net income limit	\$32,020	\$30,907
Reduction rate	15%	15%
<b>Spouse or common-law partner amount or Amount for an eligible dependant</b>		
Maximum amount	\$15,435	\$14,899
<b>Amount for infirm dependants age 18 or older</b>		
Base amount	\$10,062	\$9,712
Maximum amount	\$4,160	\$4,015
<b>Pension income amount</b>	\$1,189	\$1,147
<b>Adoption expenses</b>		
Maximum amount per child	\$10,557	\$10,190
<b>Caregiver amount</b>		
Base amount	\$18,366	\$17,728
Maximum amount	\$4,160	\$4,015
<b>Disability amount</b>		
Supplement for persons under 18	\$7,131	\$6,883
Limit regarding child care expenses and attendant care expenses	\$4,160	\$4,015
Limit regarding child care expenses and attendant care expenses	\$2,436	\$2,352
<b>Tuition and education amounts</b>		
Full-time/month	\$600	\$475
Part-time/month	\$180	\$143
Maximum transferable	\$5,000	\$5,000
<b>Donations and gifts</b>		
First \$200	10%	10%
More than \$200 and carried forward from a prior year	12.75%	12.75%
More than \$200 but other that carried over	21.00%	12.75%
<b>Medical expenses and allowable amount for other dependants</b>		
Medical expenses paid minus the lesser of 3% of the net income	\$1,994	\$1,925
Maximum claim for medical expenses for other dependants	\$10,557	\$10,190




## BRITISH COLUMBIA

### What's new for 2007?

- The rates, the taxable income brackets and most of the non-refundable tax credits used to determine British Columbia's tax have changed.
- There is a new non-refundable tax credit for parents. They can claim up to \$10,445 in expenses for adopting a child less than 18 years of age.
- Individuals subject to the minimum tax carryover can now claim the provincial credit for foreign tax.
- There is a 10% tax credit for qualified mining exploration expenses incurred after February 20, 2007, in the zones affected by the Mountain Pine Beetle. This credit is added to the 20% tax credit for qualified mining exploration expenses already available.
- There is a new refundable training tax credit for employees that completed training in the framework of a recognized qualified program or a qualified training program. Individuals that hired these employees might be able to claim the training tax credit for employers. The new Forms T1014 and T1014-1 *British Columbia Training Tax Credit* (individuals/employers) are used to determine the amount of this new credit.
- Form T81, *BC Royalty and Deemed Income Rebate* is abolished as a result of the federal government's decision to abolish the allocation relating to resources.

 <b>2007 BRITISH COLUMBIA TAX RATES</b>		
Taxable income	Tax is	Rates
On the first \$34,997	N/A	5.70%
More than \$34,997 but not exceeding \$68,794	\$1,961	8.65%
More than \$68,794 but not exceeding \$78,984	\$4,936	11.10%
More than \$78,984 but not exceeding \$95,909	\$6,067	13.00%
More than \$95,909	\$8,267	14.70%
Reduction rate	N/A	3.40%


 <b>BRITISH COLUMBIA NON-REFUNDABLE TAX CREDITS</b>		
	2007	2006
<b>Basic personal amount</b>	\$9,027	\$8,858
<b>Age amount</b>		
Maximum amount	\$4,048	\$3,972
Net income limit	\$30,132	\$29,570
Reduction rate	15%	15%
<b>Spouse or common-law partner amount or Amount for an eligible dependant</b>		
Base amount	\$8,502	\$8,344
Maximum amount	\$7,729	\$7,585
<b>Amount for infirm dependants age 18 or older</b>		
Base amount	\$10,241	\$10,050
Maximum amount	\$3,949	\$3,876
<b>Pension income amount</b>	\$1,000	\$1,000
<b>Adoption expenses</b>		
Maximum amount per child	\$10,445	N/A
<b>Caregiver amount</b>		
Base amount	\$17,317	\$16,995
Maximum amount	\$3,949	\$3,877

<b>Disability amount</b>		
Supplement for persons under 18	\$6,770	\$6,644
Limit regarding child care expenses and attendant care expenses	\$3,950	\$3,876
	\$2,293	\$2,250
<b>Tuition and education amounts</b>		
Full-time/month	\$200	\$200
Part-time/month	\$60	\$60
Maximum transferable	\$5,000	\$5,000
<b>Medical expenses and allowable amount for other dependants</b>		
Medical expenses paid minus the lesser of 3% of the net income; or	\$1,877	\$1,842
Maximum claim for medical expenses for other dependants	\$10,000	\$10,000
<b>Donations and gifts</b>		
First \$200	5.7%	6.05%
Over \$200	14.7%	14.7%

## MANITOBA

### What's new for 2007

- The rate used to determine the provincial tax has been decreased to 13% for taxable income that exceeds \$30,544, but does not exceed \$65,000.
- The *Education property tax credit* base amount has increased from \$400 to \$525 for 2007.
- There is a new non-refundable tax credit for parents. They can claim up to \$500 per child for eligible amounts paid to register their child to an eligible physical activity program. For a disabled child, the amount can be as much as \$1,000 per child.
- There is a new Manitoba income tax refund for post-secondary studies graduate. The new Form T1005, *Manitoba Tuition Fee Income Tax Rebate* is used to determine the amount of this new credit.
- There is a new refundable credit for individuals that purchased or manufactured, after April 4, 2007, green energy equipment used to produce energy in Manitoba with renewable resource.

 2007 MANITOBA TAX RATES		
Taxable income	Tax is	Rates
On the first \$30,544	N/A	10.9%
More than \$30,544 but not exceeding \$65,000	\$3,329	13%
More than \$65,000	\$7,809	17.4%


 MANITOBA NON-REFUNDABLE TAX CREDITS			2007	2006
Basic personal amount			\$7,834	\$7,734
Age amount				
Maximum amount			\$3,728	\$3,728
Net income limit			\$27,749	\$27,749
Reduction rate			15%	15%
Spouse or common-law partner amount or Amount for an eligible dependant				
Base amount			\$7,131	\$7,131
Maximum amount			\$6,482	\$6,482
Amount for infirm dependants age 18 or older				
Base amount			\$8,720	\$8,720
Maximum amount			\$3,605	\$3,605
Pension income amount			\$1,000	\$1,000
Adoption expenses				
Maximum amount per child			\$10,000	\$10,000
Children's fitness amount				
Maximum per child			\$500	N/A
Caregiver amount				
Base amount			\$15,917	\$15,917
Maximum amount			\$3,605	\$3,605
Disability amount				
Supplement for persons under 18			\$6,180	\$6,180
Limit regarding child care expenses and attendant care expenses			\$3,605	\$3,605
Limit regarding child care expenses and attendant care expenses			\$2,112	\$2,112
Tuition and education amounts				
Full-time/month			\$400	\$400
Part-time/month			\$120	\$120
Maximum transferable			\$5,000	\$5,000


<b>Medical expenses and allowable amount for other dependants</b>		
Medical expenses paid minus the lesser of 3% of the net income; or	\$1,728	\$1,728
Maximum claim for medical expenses for other dependants	\$10,000	\$10,000
<b>Donations and gifts</b>		
First \$200	10.9%	10.9%
Over \$200	17.4%	17.4%

## NEW BRUNSWICK

### What's new for 2007

- The taxable income brackets and the rates used to determine the New Brunswick tax have changed.
- The non-refundable tax credits and the low-income tax reduction have been indexed.
- The maximum small business investor tax credit amount accessible to a single investor has increased from \$15,000 to \$24,000.
- The labour-sponsored venture capital tax credit has been extended until the end of 2007.

 2007 NEW BRUNSWICK TAX RATES		
Taxable income	Tax is	Rates
On the first \$34,186	N/A	10.12%
More than \$34,186 but not exceeding \$68,374	\$3,460	15.48%
More than \$68,374 but not exceeding \$111,161	\$8,752	16.80%
More than \$111,161	\$15,940	17.95%

 NEW BRUNSWICK NON-REFUNDABLE TAX CREDITS		
	2007	2006
<b>Basic personal amount</b>	\$8,239	\$8,061
<b>Age amount</b>		
Maximum amount	\$4,023	\$3,936
Net income limit	\$29,948	\$29,303
Reduction rate	15%	15%
<b>Spouse or common-law partner amount or Amount for an eligible dependant</b>		
Base amount	\$7,696	\$7,530
Maximum amount	\$6,996	\$6,845
<b>Amount for infirm dependants age 18 or older</b>		
Base amount	\$9,411	\$9,209
Maximum amount	\$3,891	\$3,807
<b>Pension income amount</b>	\$1,000	\$1,000
<b>Caregiver amount</b>		
Base amount	\$17,179	\$16,809
Maximum amount	\$3,891	\$3,807
<b>Disability amount</b>		
Supplement for persons under 18	\$6,670	\$6,526
Limit regarding child care expenses and attendant care expenses	\$3,891	\$3,807
	\$2,279	\$2,229
<b>Tuition and education amounts</b>		
Full-time/month	\$400	\$400
Part-time/month	\$120	\$120
Maximum transferable	\$5,000	\$5,000
<b>Medical expenses and allowable amount for other dependants</b>		
Medical expenses paid minus the lesser of 3% of the net income	\$1,864	\$1,824
Maximum claim for medical expenses for other dependants	\$5,000	\$5,000
<b>Donations and gifts</b>		
First \$200	10.12%	9.68%
Over \$200	17.95%	17.84%

## NEWFOUNDLAND AND LABRADOR

### What's new of 2007

- The taxation rates used to determine income tax in Newfoundland and Labrador have been reduced.
- The taxable income brackets and the non-refundable tax credits have increased.
- The tax reduction thresholds have increased to \$13,000 for a person living alone and to \$21,000 for a couple.
- Resort property development investors are now eligible for a non-refundable tax credit of up to \$50,000 a year.
- The surtax rate is reduced to 4.5% and the threshold is increased to \$7,102.
- The income thresholds used to determine the benefits for seniors have increased to \$15,333 for a person living alone and \$25,000 for a couple.



### 2007 NEWFOUNDLAND AND LABRADOR TAX RATES

Taxable income	Tax is	Rates
On the first \$29,886	N/A	9.64%
More than \$29,886 but not exceeding \$59,772	\$2,881	14.98%
More than \$59,772	\$7,358	17.26%

### PROVINCIAL SURTAX

- 4.5% on the exceeding \$7,102



### NEWFOUNDLAND AND LABRADOR NON-REFUNDABLE TAX CREDITS

2007

2006

	2007	2006
<b>Basic personal amount</b>	\$7,484	\$7,410
<b>Age amount</b>		
Maximum amount	\$3,517	\$3,482
Net income limit	\$26,180	\$25,921
Reduction rate	15%	15%
<b>Spouse or common-law partner amount or Amount for an eligible dependant</b>		
Base amount	\$6,728	\$6,661
Maximum amount	\$6,116	\$6,055
<b>Amount for infirm dependants age 18 or older</b>		
Base amount	\$7,485	\$7,410
Maximum amount	\$2,377	\$2,353
<b>Pension income amount</b>	\$1,000	\$1,000
<b>Adoption expenses</b>		
Maximum amount per child	\$10,100	\$10,000
<b>Caregiver amount</b>		
Base amount	\$13,992	\$13,853
Maximum amount	\$2,377	\$2,353
<b>Disability amount</b>		
Supplement for persons under 18	\$5,050	\$5,000
Limit regarding child care and attendant care expenses	\$2,377	\$2,323
	\$2,020	\$2,000
<b>Tuition and education amounts</b>		
Full-time/month	\$200	\$200
Part-time/month	\$60	\$60
Maximum transferable	\$5,000	\$5,000
<b>Medical expenses and allowable amount for other dependants</b>		
Medical expenses paid minus the lesser of 3% of the net income; or	\$1,630	\$1,614
Maximum claim for medical expenses for other dependants	\$10,000	\$10,000
<b>Donations and gifts</b>		
First \$200	9.64%	10.57%
Over \$200	17.26%	18.02%

**NOVA SCOTIA****What's new for 2007**

- The maximum amount that can be claimed for the Nova Scotia political contributions tax credit has been increased to \$750.
- There is a new refundable tax credit of \$250 for volunteer firefighters that reside in Nova Scotia.

**2007 NOVA SCOTIA TAX RATES**

Taxable income	Tax is	Rates
On the first \$29,590	N/A	8.79%
More than \$29,590 but not exceeding \$59,180	\$2,601	14.95%
More than \$59,180 but not exceeding \$93,000	\$7,025	16.67%
More than \$93,000	\$12,662	17.5%

**PROVINCIAL SURTAX**

- 10% on tax exceeding \$10,000

**NOVA SCOTIA NON-REFUNDABLE TAX CREDITS**

	2007	2006
<b>Basic personal amount</b>	\$7,481	\$7,231
<b>Age amount</b>		
Maximum amount	\$3,653	\$3,531
Net income limit	\$27,193	\$26,284
Reduction rate	15%	15%
<b>Spouse or common-law partner amount or Amount for an eligible dependant</b>		
Base amount	\$6,987	\$6,754
Maximum amount	\$6,352	\$6,140
<b>Amount for infirm dependants age 18 or older</b>		
Base amount	\$7,481	\$7,231
Maximum amount	\$2,468	\$2,386
<b>Amount for young children</b>		
Monthly amount per child	\$100	\$100
<b>Pension income amount</b>	\$1,035	\$1,000
<b>Caregiver amount</b>		
Base amount	\$16,384	\$15,837
Maximum amount	\$4,320	\$4,176
<b>Disability amount</b>		
Supplement for persons under 18	\$4,441	\$4,293
Limit regarding child care expenses and attendant care expenses	\$3,043	\$2,941
	\$2,069	\$2,000
<b>Sport and recreational expenses for children</b>		
Limit per child	\$500	\$500
<b>Tuition and education amounts</b>		
Full-time/month	\$200	\$200
Part-time/month	\$60	\$60
Maximum transferable	\$5,000	\$5,000
<b>Medical expenses and allowable amount for other dependants</b>		
Medical expenses paid minus the lesser of 3% of the net income; or	\$1,637	\$1,637
Maximum claim for medical expenses for other dependants	\$10,000	\$10,000
<b>Donations and gifts</b>		
First \$200	8.79%	8.79%
Over \$200	17.5%	17.5%

## NORTHWEST TERRITORIES

### What's new for 2007

- The income brackets and most of the non-refundable tax credits used to calculate the Northwest Territories income tax have changed.



#### 2007 NORTHWEST TERRITORIES TAX RATES

Taxable income	Tax is	Rates
On the first \$35,315	N/A	5.9%
More than \$35,315 but not exceeding \$70,631	\$2,084	8.6%
More than \$70,631 but not exceeding \$114,830	\$5,121	12.2%
More than \$114,830	\$10,513	14.05%



#### NORTHWEST TERRITORIES NON-REFUNDABLE TAX CREDITS

	2007	2006
<b>Basic personal amount</b>	\$12,125	\$11,864
<b>Age amount</b>		
Maximum amount	\$5,931	\$5,803
Net income limit	\$30,936	\$30,270
Reduction rate	15%	15%
<b>Spouse or common-law partner amount or Amount for an eligible dependant</b>	\$12,125	\$11,864
<b>Amount for infirm dependants age 18 or older</b>		
Base amount	\$9,833	\$9,513
Supplement for persons under 18	\$4,019	\$3,933
<b>Pension income amount</b>	\$1,000	\$1,000
<b>Caregiver amount</b>		
Base amount	\$17,745	\$17,363
Maximum amount	\$4,019	\$3,933
<b>Disability amount</b>		
Supplement for persons under 18	\$4,019	\$3,933
Limit regarding child care and attendant care expenses	\$2,354	\$2,303
<b>Tuition and education amounts</b>		
Full-time/month	\$400	\$400
Part-time/month	\$120	\$120
Maximum transferable	\$5,000	\$5,000
<b>Medical expenses and allowable amount for other dependants</b>		
Medical expenses paid minus the lesser of 3% of the net income; or	\$1,926	\$1,884
Maximum claim for medical expenses for other dependants	\$5,000	\$5,000
<b>Donations and gifts</b>		
First \$200	5.9%	5.9%
Over \$200	14.05%	14.05%



## NUNAVUT

### What's new for 2007

- The income brackets used to determine the Nunavut income tax have changed.
- The calculation for the cost of living tax credit has changed. The maximum amount is now \$1,200.
- Furthermore, there is a tax credit supplement for the cost of living for single fathers or single mothers. They can now claim a credit of up to \$255.12.



#### 2007 NUNAVUT TAX RATES

Taxable income	Tax is	Rates
On the first \$37,178	N/A	4%
More than \$37,178 but not exceeding \$74,357	\$1,487	7%
More than \$74,357 but not exceeding \$120,887	\$4,090	9%
More than \$120,887	\$8,277	11.5%



#### NUNAVUT NON-REFUNDABLE TAX CREDITS

	2007	2006
<b>Basic personal amount</b>	\$11,149	\$10,909
<b>Age amount</b>		
Maximum amount	\$8,361	\$8,181
Net income limit	\$30,936	\$30,270
Reduction rate	15%	15%
<b>Spouse or common-law partner amount or Amount for an eligible dependant</b>		
Maximum amount	\$11,149	\$10,909
<b>Amount for infirm dependants age 18 or older</b>		
Base amount	\$9,721	\$9,513
Maximum amount	\$4,019	\$3,933
<b>Amount for young children less than 6 years of age</b>		
Monthly amount per child	\$100	\$100
<b>Pension income amount</b>	\$1,000	\$1,000
<b>Caregiver amount</b>		
Base amount	\$17,745	\$17,363
Maximum amount	\$4,019	\$3,933
<b>Disability amount</b>	\$11,149	\$10,909
Supplement for persons under 18	\$4,019	\$3,933
Limit regarding child care expenses and attendant care expenses	\$2,354	\$2,303
<b>Tuition and education amounts</b>		
Full-time/month	\$400	\$400
Part-time/month	\$120	\$120
Maximum transferable	\$5,000	\$5,000
<b>Medical expenses and allowable amount for other dependants</b>		
Medical expenses paid minus the lesser of 3% of the net income; or	\$1,926	\$1,844
Maximum claim for medical expenses for other dependants	\$10,000	\$5,000
<b>Donations and gifts</b>		
First \$200	4%	4%
Over \$200	11.5%	11.5%

## ONTARIO

### What's new for 2007

- The income brackets have increased in accordance with Ontario's Consumer Price Index.
- For couples age 65 and over, Ontario increased the income threshold used to determine property taxes and Ontario sales tax. This threshold has increased from \$23,090 to \$23,820.



### 2007 ONTARIO TAX RATES

Taxable income	Tax is	Rates
On the first \$35,488	N/A	6.05%
More than \$35,488 but not exceeding \$70,976	\$2,147	9.15%
More than \$70,976	\$5,394	11.16%

### PROVINCIAL SURTAX

- 20% on tax exceeding \$4,100
- 36% on tax exceeding \$5,172



### ONTARIO NON-REFUNDABLE TAX CREDITS

	2007	2006
<b>Basic personal amount</b>	\$8,553	\$8,377
<b>Age amount</b>		
Maximum amount	\$4,176	\$4,090
Net income limit	\$31,088	\$30,448
Reduction rate	15%	15%
<b>Spouse or common-law partner amount or Amount for an eligible dependant</b>		
Base amount	\$7,988	\$7,824
Maximum amount	\$7,262	\$7,113
<b>Amount for infirm dependants age 18 or older</b>		
Base amount	\$9,762	\$9,561
Maximum amount	\$4,031	\$3,948
<b>Pension income amount</b>	\$1,183	\$1,158
<b>Adoption expenses</b>		
Maximum amount per child	\$10,435	\$10,220
<b>Caregiver amount</b>		
Base amount	\$17,823	\$17,457
Maximum amount	\$4,031	\$3,948
<b>Disability amount</b>		
Supplement for persons under 18	\$4,031	\$3,948
Limit regarding child care expenses and attendant care expenses	\$2,361	\$2,312
<b>Tuition and education amounts</b>		
Full-time/month	\$461	\$451
Part-time/month	\$138	\$135
Maximum transferable	\$5,914	\$5,792
<b>Medical expenses and allowable amount for other dependants</b>		
Medical expenses paid minus the lesser of 3% of the net income; or	\$1,936	\$1,896
Maximum claim for medical expenses for other dependants	\$10,435	\$10,220
<b>Donations and gifts</b>		
First \$200	6.05%	6.05%
Over \$200	11.16%	11.16%

**Ontario Health Premium (OHP)**

The Ontario Health Premium for individuals is based on taxable income. Premiums range from \$300 to \$900 per year, with the lowest income bracket starting at \$20,000. The premium applies to individuals resident in Ontario on the last day of the taxation year.

Taxable Income	Premium
first \$20,000	no premium
over \$20,000 up to \$25,000	$(\text{taxable income} - \$20,000) \times 6\%$
over \$25,000 up to \$36,000	\$300
over \$36,000 up to \$38,500	$\$300 + (\text{taxable income} - \$36,000) \times 6\%$
over \$38,500 up to \$48,000	\$450
over \$48,000 up to \$48,600	$\$450 + (\text{taxable income} - \$48,000) \times 25\%$
over \$48,600 up to \$72,000	\$600
over \$72,000 up to \$72,600	$\$600 + (\text{taxable income} - \$72,000) \times 25\%$
over \$72,600 up to \$200,000	\$750
over \$200,000 up to \$200,600	$\$750 + (\text{taxable income} - \$200,000) \times 25\%$
over \$200,600	\$900

## PRINCE EDWARD ISLAND

### What's new for 2007

- The taxable income brackets used to determine provincial tax have increased. This measure results in a reduction of the Prince Edward Island income tax.



#### 2007 PRINCE EDWARD ISLAND TAX RATES

Taxable income	Tax is	Rates
On the first \$31,369	N/A	9.8%
More than \$31,369 but not exceeding \$62,739	\$3,074	13.8%
More than \$62,739	\$7,403	16.7%

### PROVINCIAL SURTAX

- 10% on tax exceeding \$8,850



#### PRINCE EDWARD ISLAND NON-REFUNDABLE TAX CREDITS

2007

2006

	2007	2006
<b>Basic personal amount</b>	\$7,560	\$7,412
<b>Age amount</b>		
Maximum amount	\$3,691	\$3,619
Net income limit	\$27,480	\$26,941
Reduction rate	15%	15%
<b>Spouse or common-law partner amount</b>		
Base amount	\$7,062	\$6,923
Maximum amount	\$6,420	\$6,294
<b>Amount for an eligible dependant</b>		
Base amount	\$6,923	\$6,923
Maximum Amount	\$6,294	\$6,294
<b>Amount for infirm dependants age 18 or older</b>		
Base amount	\$7,412	\$7,412
Maximum amount	\$2,446	\$2,446
<b>Amount for young children</b>		
Monthly amount per child	\$100	\$100
<b>Pension income amount</b>	\$1,000	\$1,000
<b>Caregiver amount</b>		
Base amount	\$14,399	\$14,399
Maximum amount	\$2,446	\$2,446
<b>Disability amount</b>	\$6,890	\$5,400
Supplement for persons under 18	\$4,019	\$3,015
Limit regarding child care and attendant care expenses	\$2,354	\$2,050
<b>Teacher school supply amount</b>	\$500	\$500
<b>Tuition and education amounts</b>		
Full-time/month	\$400	\$200
Part-time/month	\$120	\$60
Maximum transferable	\$5,000	\$5,000
<b>Medical expenses and allowable amount for other dependants</b>		
Medical expenses paid minus the lesser of 3% of the net income; or	\$1,678	\$1,678
Maximum claim for medical expenses for other dependants	\$10,000	\$10,000
<b>Donations and gifts</b>		
First \$200	9.8%	9.8%
Over \$200	16.7%	16.7%

## SASKATCHEWAN

### What's new for 2007

- The taxable income brackets used to determine the Saskatchewan income tax have changed.
- There is a new non-refundable tax credit for post-secondary graduates. The exemption is of \$10,000 a year, starting in the graduation year and for each of the subsequent four years.
- The post-secondary graduate tax credit available in the past ended in 2006. Only the unused portion from previous years can be claimed.
- Form T82, *Saskatchewan Royalty Tax Rebate* has been abolished as a result of the federal government's decision to abolish the allocation relating to resources.

### 2007 SASKATCHEWAN TAX RATES

Taxable income	Tax is	Rates
On the first \$38,405	N/A	11%
More than \$38,405 but not exceeding \$109,729	\$4,225	13%
More than \$109,729	\$13,497	15%

### SASKATCHEWAN NON-REFUNDABLE TAX CREDITS


	2007	2006
<b>Basic personal amount</b>	\$8,778	\$8,589
<b>Age amount</b>		
Maximum amount	\$4,156	\$4,066
Net income limit	\$30,936	\$30,270
Reduction rate	15%	15%
<b>Spouse or common-law partner amount or Amount for an eligible dependant</b>		
Base amount	\$9,656	\$9,448
Maximum amount	\$8,778	\$8,589
<b>Amount for infirm dependants age 18 or older</b>		
Base amount	\$9,721	\$9,513
Maximum amount	\$4,019	\$3,933
<b>Amount for dependent children born in 1989 or after</b>	\$2,743	\$2,684
<b>Senior Supplement</b>	\$1,097	\$1,074
<b>Pension income amount</b>	\$1,000	\$1,000
<b>Caregiver amount</b>		
Base amount	\$17,745	\$17,363
Maximum amount	\$4,019	\$3,933
<b>Disability amount</b>		
Supplement for persons under 18	\$6,890	\$6,741
Limit regarding child care expenses and attendant care expenses	\$4,019	\$3,933
	\$2,354	\$2,303
<b>Tuition and education amounts</b>		
Full-time/month	\$400	\$400
Part-time/month	\$120	\$120
Maximum transferable	\$5,000	\$5,000
<b>Amount for graduates</b>	\$10,000	N/A
<b>Medical expenses and allowable amount for other dependants</b>		
Medical expenses paid minus the lesser of 3% of the net income; or	\$1,926	\$1,884
Maximum claim for medical expenses for other dependants	\$10,000	\$10,000
<b>Donations and gifts</b>		
First \$200	11%	11%
Over \$200	15%	15%

**YUKON****What's new for 2007**

- The taxable income brackets used to determine the Yukon income tax have changed.


There are two new non-refundable tax credits for Yukon parents.

- A parent can claim an amount of \$2,000 for each child less than 18 years of age at the end of the year.
- A parent can claim an amount of up to \$500 for eligible expenses paid to register his or her children to an eligible physical activity program. Parents with disabled children can claim an amount of up to \$1,000 per child.

 2007 YUKON TAX RATES		
Taxable income	Tax is	Rates
On the first \$37,178	N/A	7.04%
More than \$37,178 but not exceeding \$74,357	\$2,617	9.68%
More than \$74,357 but not exceeding \$120,887	\$6,216	11.44%
More than \$120,887	\$11,539	12.76%

**YUKON SURTAX**

- 5% on tax exceeding \$6,000

 YUKON NON-REFUNDABLE TAX CREDITS	2007	2006
<b>Basic personal amount</b>	\$9,600	\$8,839
<b>Age amount</b>		
Maximum amount	\$5,177	\$5,066
Net income limit	\$30,936	\$30,270
Reduction rate	15%	15%
<b>Spouse or common-law partner amount or Amount for an eligible dependant</b>		
Base amount	\$9,600	\$8,256
Maximum amount	\$9,600	\$7,505
<b>Amount for infirm dependants age 18 or older</b>		
Base amount	\$9,721	\$9,513
Maximum amount	\$4,019	\$3,933
<b>Amount for children born in 1990 or after</b>		
Amount per child	\$2,000	N/A
<b>Children's fitness amount</b>		
Maximum amount per child	\$500	N/A
Additional amount for a disabled child	\$500	N/A
<b>Adoption expenses</b>		
Maximum amount	\$10,445	\$10,220
<b>Tuition, education, and textbook amounts</b>		
Education - Full-time/month	\$400	\$400
Education - Part-time/month	\$120	\$120
Textbook - Full-time/month	\$65	\$65
Textbook - Part-time/month	\$20	\$20
Maximum transferable	\$5,000	\$5,000
<b>Medical expenses and allowable amount for other dependants</b>		
Medical expenses paid minus the lesser of 3% of the net income ; or	\$1,926	\$1,844
Maximum claim for medical expenses for other dependants	\$10,000	\$5,000
<b>Donations and gifts</b>		
First \$200	7.04%	7.04%
More than \$200	12.76%	12.76%