

2016 Tax Table Quick Calculation

This table cannot be used if taxable income includes Canadian dividends.

This table does not include the Ontario Health Premium.

| <i>Taxable Income</i> | <i>Federal Income Tax</i> | <i>Ontario Income Tax</i> | <i>Total Tax</i> | <i>Marginal Tax Rate for Regular Income</i> | <i>Marginal Tax Rate for Eligible Dividend</i> | <i>Marginal Tax Rate for Ineligible Dividend</i> | <i>Marginal Tax Rate for Capital Gains</i> |
|-----------------------|---------------------------|---------------------------|------------------|---|--|--|--|
| \$ | \$ | \$ | \$ | % | % | % | % |
| 11,473 | 0 | 0 | 0 | 15.00 | 0.00 | 0.00 | 7.50 |
| 14,584 | 467 | 0 | 467 | 20.05 | 0.00 | 0.00 | 10.02 |
| 19,159 | 1,153 | 462 | 1,615 | 20.05 | 0.00 | 6.13 | 10.02 |
| 41,536 | 4,509 | 1,592 | 6,102 | 24.15 | 0.00 | 10.93 | 12.08 |
| 45,282 | 5,071 | 1,935 | 7,006 | 29.65 | 6.39 | 17.37 | 14.83 |
| 50,000 | 6,038 | 2,367 | 8,405 | 29.65 | 6.39 | 17.37 | 14.83 |
| 73,145 | 10,781 | 4,484 | 15,265 | 31.48 | 8.92 | 19.51 | 15.74 |
| 83,075 | 12,818 | 5,575 | 18,394 | 33.89 | 12.24 | 22.33 | 16.95 |
| 86,176 | 13,453 | 5,739 | 19,443 | 37.91 | 17.79 | 27.03 | 18.85 |
| 90,563 | 14,354 | 6,755 | 21,108 | 43.41 | 25.38 | 33.46 | 21.70 |
| 100,000 | 16,808 | 8,397 | 25,205 | 43.41 | 25.38 | 33.46 | 21.70 |
| 140,388 | 27,309 | 15,429 | 42,738 | 46.41 | 29.52 | 36.97 | 23.20 |
| 150,000 | 30,096 | 17,103 | 47,198 | 47.97 | 31.67 | 38.80 | 23.98 |
| 200,000 | 44,596 | 26,587 | 71,183 | 51.97 | 37.19 | 43.48 | 25.98 |
| 220,000 | 51,196 | 30,381 | 81,577 | 53.53 | 39.34 | 45.30 | 26.76 |

Ontario Health Premium

| <i>Taxable Income</i> | <i>Tax</i> |
|-----------------------|-------------|
| Up to \$ 20,000 | Nil |
| \$20,000 to \$36,000 | Up to \$300 |
| \$36,001 to \$48,000 | Up to \$450 |
| \$48,001 to \$72,000 | Up to \$600 |
| \$72,001 to \$200,000 | Up to \$750 |
| Over \$200,000 | Up to \$900 |

Maximum Contributions

2016

| | |
|-----------------------|----------|
| CPP employee/employer | 2,544.30 |
| CPP Self-employed | 5,088.60 |
| EI employee portion | 955.04 |
| EI employer portion | 1,337.06 |
| RRSP | \$25,370 |
| TFSA | \$5,500 |

Top Marginal Rates For Ontario

| <i>Income Type</i> | <i>2014</i> | <i>2015</i> | <i>2016</i> |
|------------------------|-------------|-------------|-------------|
| Salary, Interest, Etc. | 49.53% | 49.53% | 53.53% |
| Ineligible Dividends | 40.13% | 40.13% | 45.30% |
| Gross-up | 18% | 18% | 17% |
| Eligible Dividends | 33.82% | 33.82% | 39.34% |
| Gross-up | 38% | 38% | 38% |
| Capital Gain | 24.77% | 24.77% | 26.76% |

Automobile Rates

| <i>Effective Date</i> | <i>Max. Ded'n per km (1st 5,000km/excess)</i> | <i>Operating cost benefit</i> | |
|----------------------------|--|-------------------------------|-------------------------------|
| For 2015 | 55 / 49 | 27 | |
| For 2016 | 54 / 48 | 26 | |
| <i>Effective Date</i> | <i>Cost Limit</i> | <i>Monthly Lease Limit</i> | <i>Monthly Interest Limit</i> |
| For 2015 & 2016 | \$30,000 + HST | \$800.00 + HST | \$300 |

Federal Prescribed Interest Rates per Quarter

| | <i>1st</i> | <i>2nd</i> | <i>3rd</i> | <i>4th</i> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| 2014 | 3% | 3% | 3% | 3% |
| 2015 | 3% | 3% | 3% | 3% |
| 2016 | 3% | | | |
| Rate is <u>2% higher</u> for late or deficient income tax payments and unremitted tax withholdings | | | | |
| Rate is <u>2% lower</u> for interest paid to corporations for 2013 and subsequent years and deemed interest on employee, shareholder and spousal loans | | | | |

CORPORATE INCOME TAXES IN ONTARIO – December 31, 2016 Year End

| | ABI & NO M&P | | | ABI & M&P | | | CCPC |
|--|----------------|-----------------------|------------------|----------------|-----------------------|------------------|----------------------|
| | Low Rate | High Rate Clawback | High Rate | Low Rate | High Rate Clawback | High Rate | Investment Income |
| Basic Federal Rate | 38.00 | 38.00 | 38.00 | 38.00 | 38.00 | 38.00 | 38.00 |
| Basic Ontario Rate | 11.50 | 11.50 | 11.50 | 11.50 | 11.50 | 11.50 | 11.50 |
| Combine Rate | 49.50 | 49.50 | 49.50 | 49.50 | 49.50 | 49.50 | 49.50 |
| Federal Abatement | (10.00) | (10.00) | (10.00) | (10.00) | (10.00) | (10.00) | (10.00) |
| Refundable Tax | - | - | - | - | - | - | 10.67 |
| General Rate Reduction | - | (13.00) | (13.00) | - | - | - | - |
| Federal SBD | (17.50) | - | - | (17.50) | - | - | - |
| Ontario SBD | (7.00) | - | - | (7.00) | - | - | - |
| Federal M&P Deduction | - | - | - | - | (13.00) | (13.00) | - |
| Ontario M&P Deduction | - | - | - | - | (1.50) | (1.50) | - |
| Total Combined Rate – 2016 & future years | 15.00 | 26.50 | 26.50 | 15.00 | 25.00 | 25.00 | 50.17 |
| | - | 500,001 | Over | - | 500,001 | Over | |
| Income Ranges | 500,000 | 1,500,000 | 1,500,000 | 500,000 | 1,500,000 | 1,500,000 | |

There are no scheduled Federal or Ontario corporate tax rate reductions for 2015 and the future except for a 1/2% increase in the small business deduction for 2016 resulting in a reduction in the Low Rate to 15.0%.

Maximum Actual Ineligible Dividends On Which No Tax Is Payable

Amount: \$32,853 (grossed up - \$38,438)

Assumptions: Single person
No other income
Basic personal non-refundable tax credit only

No Alternative Minimum Tax (AMT) would apply on the ineligible dividend in this situation

Note: No Federal Tax is payable however there still is an Ontario tax of \$450.00 representing the Ontario Health Premium (OHP)

Maximum Actual Eligible Dividends On Which No Tax Is Payable

Amount: \$51,474 (grossed up - \$71,034)

Assumptions: Single person
No other income
Basic personal non-refundable tax credit only

No Alternative Minimum Tax (AMT) would apply on the eligible dividend in this situation

Note: No Federal Tax is payable however there still is an Ontario tax of \$600.00 representing the Ontario Health Premium (OHP)