

2017 - 2018 TAX FACTS FOR ALBERTA RESIDENTS

Tax Rates on Corporate Income

| | Dec 2018 | Dec 2017 |
|---|----------|----------|
| CCPC Active income | | |
| \$ 0 - \$ 500,000 | 12.00% | 12.50% |
| > \$500,000 | 27.00% | 27.00% |
| CCPC Investment Income | | |
| Interest | 50.67% | 50.67% |
| Interest (net of refundable taxes) | 20.00% | 20.00% |
| Capital gains | 25.33% | 25.33% |
| Capital gains (net of refundable taxes) | 10.00% | 10.00% |

Personal Tax Brackets for Salary & Dividends 2018

| Taxable Income | Marginal Tax | Marginal Tax | Marginal Tax |
|-------------------------|----------------|------------------------------|----------------------------|
| | Rate on Salary | Rate on Ineligible Dividends | Rate on Eligible Dividends |
| | % | % | % |
| \$ 0 - \$ 46,605 | 25.00 | 14.95 | 0.00 |
| \$ 46,605 - \$ 93,208 | 30.50 | 21.34 | 7.56 |
| \$ 93,208 - \$ 128,145 | 36.00 | 27.72 | 15.15 |
| \$ 128,145 - \$ 144,489 | 38.00 | 30.04 | 17.91 |
| \$ 144,489 - \$ 153,773 | 41.00 | 33.52 | 22.05 |
| \$ 153,773 - \$ 205,031 | 42.00 | 34.68 | 23.43 |
| \$ 205,031 - \$ 205,842 | 43.00 | 35.84 | 24.81 |
| \$ 205,842 - \$ 307,547 | 47.00 | 40.48 | 30.33 |
| > \$ 307,547 | 48.00 | 41.64 | 31.71 |

RRSP Limits

| Year | RRSP Deduction | Prior Year Earned Income |
|------|----------------|---------------------------|
| | Limit | Required to Maximize RRSP |
| 2019 | \$ 26,500 | \$ 147,222 |
| 2018 | \$ 26,230 | \$ 145,722 |
| 2017 | \$ 26,010 | \$ 144,500 |

Pension Splitting with Spouses

| | 65 or Older | Under 65 |
|------------------------------|-------------|----------|
| Pension Annuity Payments | Yes | Yes |
| RRIF Payments | Yes | No * |
| RRSP Annuity Payments | Yes | No * |
| RRSP Lump Sum Withdrawals | No | No |
| Canada Pension Plan Benefits | No | No |
| Old Age Security Benefits | No | No |

* Except if received due to the death of a spouse

CPP & EI Limits

| Year | CPP Limit | Maximum Pensionable Earnings | EI Employee Limit | EI Employer Limit | EI-Maximum Insurable Earnings |
|------|-------------|------------------------------|-------------------|-------------------|-------------------------------|
| | 2018 | \$ 2,593.80 | \$ 55,900 | \$ 858.22 | \$ 1,201.51 |
| 2017 | \$ 2,564.10 | \$ 55,300 | \$ 836.19 | \$ 1,170.67 | \$ 51,300 |

Clawback of Old Age Security

| Year | Start of Clawback @ 15% of the amount by: |
|------|---|
| 2018 | \$75,910 |
| 2017 | \$74,788 |

Prescribed Interest Rates

Rates for overdue balances, refunds subtract 2%, corporate refunds & shareholder loans subtrat 4%

| Quarter | 2018 | 2017 | 2016 |
|---------|------|------|------|
| 1st | 5% | 5% | 5% |
| 2nd | 6% | 5% | 5% |
| 3rd | | 5% | 5% |
| 4th | | 5% | 5% |

Automobile Amounts

| Claim Description | 2018 | 2017 |
|--|-------------|-------------|
| Tax-exempt vehicle allowances | | |
| First 5,000 km | 55 cents/km | 54 cents/km |
| After 5,000 km | 49 cents/km | 48 cents/km |
| Note - rates are 4 cents/km higher in Yukon, Nunavut and the NWT | | |
| CCA threshold - Class 10.1 | \$30,000 | \$30,000 |
| Interest expense limit | \$300/mo | \$300/mo |
| Leasing limit + taxes | | |
| Subject to further limitations | \$800/mo | \$800/mo |
| Operating expense benefit re: | | |
| standby charge-general rule | 26 cents/km | 25 cents/km |

Common Personal Tax Credits

| | Federal | | Alberta | |
|--------------------------------|----------|----------|----------|----------|
| | 2018` | 2017 | 2018 | 2017 |
| Basic personal | \$11,809 | \$11,635 | \$18,915 | \$18,690 |
| Spousal/eligible dependant-max | \$11,809 | \$11,635 | \$18,915 | \$18,690 |
| Age | \$7,333 | \$7,225 | \$5,271 | \$5,208 |
| Pension income-max | \$2,000 | \$2,000 | \$1,456 | \$1,439 |
| Disability | \$8,235 | \$8,113 | \$14,590 | \$14,417 |
| Canada employment-max | \$1,195 | \$1,178 | \$ - | \$ - |

Note: Above federal tax credits are applied at 15% and Alberta tax credits are applied at 10%.

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