

## 2010 B.C. PERSONAL INCOME TAX RATES

Combined Federal and Provincial Rates  
Information is current as of March 10, 2010

<b>Tax Brackets</b>	<b>\$35,859 Or Less To</b>	<b>\$35,860 \$71,719 To</b>	<b>\$71,720 \$82,342 To</b>	<b>\$82,343 \$127,021 To</b>	<b>\$127,022 Or More</b>
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Marginal Tax Rate On:

Employment, Business or Interest Income	15.00% to 20.06%	22.70% to 29.70%	32.50% to 36.50%	38.29% to 40.70%	43.70%
Actual Capital Gains Income	7.50% to 10.03%	11.35% to 14.85%	16.25% to 18.25%	19.15% to 20.35%	21.85%
Actual Dividend Income (eligible) <sup>∞</sup>	0.00% to 11.56%	0.00% to 11.56%	11.56% to 15.88%	15.88% to 21.45%	
Actual Dividend Income (non-eligible)	0.00% to 5.38%	5.38% to 26.94%	26.94% to 29.96%	29.96% to 33.71%	33.71%

<sup>∞</sup> Excludes Alternative Minimum Tax (AMT).

## 2010 B.C. PERSONAL INCOME TAX FACTS

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- Assuming no other income, an individual can earn \$66,000 of actual eligible dividends without incurring income tax. Approximately \$3,225 of AMT will apply. An individual can earn \$50,000 of actual eligible dividends without incurring income tax or AMT.
- Assuming no other income, an individual can earn \$26,800 of actual non-eligible dividends without incurring income tax.
- The federal medical expense threshold is the lesser of 3% of net income and \$2,024 (or \$1,957 provincially).
- The maximum contribution amount for the Canada Pension Plan (CPP) is \$2,163.15 for employees and \$4,326.30 for self-employed individuals. Self-employed individuals can deduct 50% of the premium in calculating net income. The maximum premium for Employment Insurance (EI) is \$747.36.
- The federal tax credit for charitable donations is 15% for the first \$200 and 29% for the balance of donations. The provincial tax credit is 5.06% for the first \$200 and 14.7% thereon. The maximum amount of donations that may be claimed in a year is 75% of net income. Unused credits can be carried forward for five years.
- The automobile allowance rates paid to employees in connection with their employment are \$0.52 per kilometer for the first 5,000 kilometers and \$0.46 per kilometer thereafter. These rates are not considered to be a taxable benefit to the employees.
- The prescribed interest rates for the first quarter of 2010 are as follows: interest rate charged on overdue taxes, CPP contributions, EI premiums, GST and HST: 5%; interest rate paid on overpayments: 3%; and interest rate used to calculate taxable benefits for employees and shareholders from interest-free and low-interest loans: 1%. (Effective July 1, 2010, interest on overpaid taxes for corporations will be reduced by 2%.)

## 2010 B.C. CORPORATE INCOME TAX RATES ✓

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First \$500,000 For Small Business ✓	General Business Rate	Specified Investment Business*
13.50%	28.5%	45.17%

✓ The rates shown are the combined federal and B.C. rates for corporations with fiscal years commencing January 1, 2010 and ending December 31, 2010. Different rates may apply to corporations with non-calendar year-ends or short year-ends.

✓ The small business deduction (SBD) applies to the first \$500,000 of active business income of Canadian-controlled private corporations (CCPCs) or associated groups of CCPCs. The SBD is reduced for CCPCs or associated corporations with taxable capital in excess of \$10 million and is eliminated when taxable capital equals \$15 million.

\* The rate is reduced to 18.5% subsequent to the payment of taxable dividends and receipt of a dividend refund.

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	Taxable Income* \$	Tax \$	Taxable Income* \$	Tax \$
up to	5,000	0	70,000	14,862
	10,000	0	75,000	16,438
	15,000	693	80,000	18,063
	20,000	1,593	85,000	19,858
	25,000	2,756	90,000	21,773
	30,000	3,904	95,000	23,687
	35,000	4,907	100,000	25,602
	40,000	6,019	105,000	27,637
	45,000	7,437	110,000	29,672
	50,000	8,922	115,000	31,707
	55,000	10,407	120,000	33,742
	60,000	11,892	125,000	35,777
	65,000	13,377	130,000	37,902

Over \$130,000: \$36,600 plus 43.70% on taxable income in excess of \$127,021

\*Taxes are reduced by all applicable credits other than the basic personal tax credits, which have been reflected in the calculations. The personal tax table does not apply to dividend income.

# 2010

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<b>DECEMBER</b> S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	<b>JANUARY 2011</b> S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	<b>FEBRUARY 2011</b> S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28	<b>MARCH 2011</b> S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31



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## 2010 TAX RATES



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