

INDIVIDUALS

TAX RATES – 2012

ONTARIO

Taxable Income (\$)	Tax (\$)	Effective Rate (%)	Marginal Rate (%)
10,000	0	0.00	19.11
20,000	1,911	9.56	23.06
30,000	4,217	14.06	22.46
40,000	6,463	16.16	31.58
50,000	9,621	19.24	31.15
60,000	12,736	21.23	33.95
80,000	19,526	24.41	42.79
100,000	28,084	28.08	43.41
125,000	38,936	31.15	46.26
200,000	73,630	36.82	46.41

QUEBEC

Taxable Income (\$)	Tax (\$)	Effective Rate (%)	Marginal Rate (%)
10,000	200	2.00	23.65
20,000	2,365	11.83	28.52
30,000	5,117	17.39	28.91
40,000	8,108	20.27	37.47
50,000	11,855	23.71	38.37
60,000	15,692	26.15	38.75
80,000	23,441	29.30	45.19
100,000	32,479	32.48	45.71
125,000	43,906	35.12	48.09
200,000	79,972	39.99	48.22

These tables take into account provincial surtax, refundable Quebec abatement and the basic personal non-refundable credits only. In Quebec, the table does not take into account the contribution to the health services fund. The Ontario table includes the health premium.

MAXIMUM COMBINED MARGINAL RATES (when income is greater than \$ 132,406)

	Ontario	Québec
	%	%
Eligible Dividends	29.54	32.81
Regular Dividends	32.57	36.35
Capital gains	23.20	24.11
Other income	46.41	48.22

▪ **INCOME TAX RATES FOR 2012**

FEDERAL^{2,3}		ONTARIO		QUEBEC	
\$0 - \$42,707	15 %	\$0 - \$39,021	5.05 %	\$0 - \$40,100	16 %
\$42,708 - \$85,414	22 %	\$39,022 - \$78,043	9.15 % ¹	\$40,101 - \$80,200	20 %
\$85,415 - \$132,406	26 %	In excess of \$78,044	11.16 % ¹	In excess of \$80,201	24 %
In excess of \$132,407	29 %				

¹ These rates do not include Ontario Surtax, which is equal to 20% of provincial tax in excess of \$4,213 and 36% of provincial tax in excess of \$5,391.

² Residents of Quebec are entitled to a refundable Quebec abatement equal to 16.5 % of Federal tax.

³ Old age security: 15% of net income in excess of \$ 69,562 must be reimbursed.

▪ **BASIC PERSONAL AMOUNT (2012)**

FEDERAL	ONTARIO	QUEBEC
(15 %)	(5,05 %)	(20,0 %)
\$10,822	\$9,404	\$10,925

▪ **DEFERRED INCOME PLANS – MAXIMUM ANNUAL CONTRIBUTIONS**

YEAR	RRSP	RPP
2011	22,450	22,970
2012	22,970	23,820
2013	23,820	indexed
2014	indexed	indexed

EMPLOYERS

- **Canada or Quebec Pension Plan – 2012**

	ONTARIO	QUÉBEC
Maximum pensionable earnings	50,100.00 \$	50,100.00 \$
Annual basic exemption	3,500.00	3,500.00
Maximum for calculation of contribution	46,600.00	46,600.00
Maximum contribution - employee/employer	4.95 % 2,306.70	5.025 % 2,341.65
- self-employed	9.90 % 4,613.40	10.050 % 4,683.30

- **Employment Insurance – 2012**

	ONTARIO	QUÉBEC
Maximum annual insurable earnings	45,900.00 \$	45,900.00 \$
Maximum contribution - employee	1.830 % 839.97	1.470 % 674.73
- employer (1.4 times)	2.562 % 1,175.96	2.058 % 944.62

EMPLOYERS (continued)

- Quebec Parental Insurance Plan – 2012

Maximum annual insurable earnings		\$66,000.00
Maximum contribution	- employee (0.559%)	368.94
	- employer (0.782%)	516.12
	- self-employed (0.993%)	655.38

- Health Insurance – 2012

Contribution payable by employer and based on total payroll:

- Ontario	- \$0 to \$400,000 (if qualifying corporation)	exempt
	- in excess of \$400,000	1.95 %
- Quebec	- \$0 to \$1,000,000	2.70
	- \$1,000,001 - \$5,000,000	Varies from 2.70 to 4.26
	- in excess of \$5,000,000	4.26

Individuals' contribution to the Quebec health services fund is calculated as 1% of taxable income, other than employment income, in excess of \$13,660 (maximum of \$150 for the first \$47,490), up to a maximum of \$1,000.

- **Car Allowance**
 - First 5,000 km 53 ¢/km
 - In excess of 5,000 km 47 ¢/km
- **Vehicle threshold:** Cost of \$30,000 plus GST and PST. Lease of \$800 plus GST and PST.
- **Meals and entertainment expenses** are restricted to 50% of expenses incurred.

CORPORATIONS

■ CORPORATE TAX RATE – 2012 (assuming year end December 31)

	COMBINED				
	Federal	Ontario	Quebec	Ontario	Quebec
Active business income	%	%	%	%	%
Under \$500,000	11.0 ⁽²⁾	4.5	8.0 ⁽²⁾	15.5	19.0
In excess of \$500,000	15.0	11.5 ⁽¹⁾	11.9	26.5	26.9
Investment income	34.67 ⁽³⁾	11.5 ⁽¹⁾	11.9	46.17	46.57

- (1) Ontario corporate tax rate will be lowered on July 1, 2012; the general rate will be 11%.
- (2) The \$500,000 threshold is progressively reduced for large corporations (over \$10M in taxable capital).
- (3) Refundable tax of 26.67% is reimbursed at a rate of \$1 for every \$3 of taxable dividends paid.

■ CAPITAL TAX

- QUÉBEC - general rate of 0.12% (eliminated since January 1, 2011)

QUEBEC SALE TAX (QST)

On January 1, 2012, the rate of the Québec sales tax will be 9.5%

USEFUL REFERENCES

CANADA REVENUE AGENCY – TAX SERVICES

Ottawa Office
333 Laurier Avenue West
Ottawa ON K1A 0L9
Fax: 613 238-7125

Counter service
875 Heron Road
Ottawa ON K1A 1A2
Fax: 613 739-1147

Outaouais Office
1100 Maloney Blvd West
Gatineau QC K1A 1L4
Fax: 819 994-1103

REVENU QUÉBEC
170, rue de l'Hôtel-de-Ville, 6^e étage
Gatineau QC J8X 4C2

Direction générale des **particuliers**
3800, rue de Marly
Québec QC G1X 4A5
Phone: 1 800 267-6299

Direction principale des services aux **entreprises (Business)**
Complexe Desjardins
C. P. 3000, succursale Desjardins
Montréal QC H5B 1A4
Phone: 1 800 567-4692

Telephone
1 800 959-7383 French Individual
1 800 959-8281 English Individual
1 800 959-7775 French Business
1 800 959-5525 English Business
1 800 267-6999 Tax Information Phone
Service

International Office
2204 Walkley Road
Ottawa ON K1A 1A8
613 954-1368

ONTARIO MINISTRY OF FINANCE

(Employer Health Tax and
Ontario Retail Sales Tax essentially)
33 King Street West
Oshawa ON L1H 8H5
Fax: 905 433-6777
Toll free: 1 866 668-8297 or
1 800 262-0784

Shawinigan-Sud Tax Centre
(All corr. except for T1 – Resident of Ontario)
4695 12th Avenue
Shawinigan-Sud QC G9N 7S6
Fax: 819 536-7078

Jonquière Tax Centre
(All corr. except for T1 – Resident of Quebec)
2251 René-Lévesque Boulevard
Jonquière QC G7S 5J1
Fax: 418 548-0846

CORPORATE STATUTE INFO

FEDERAL
Industry Canada: 613 954-5031
Fax: 613 954-2340
www.ic.gc.ca

ONTARIO
MGS: 1 800 361-3223

QUEBEC
REQ: 1 877 644-4545

Consult our website for other useful links: www.marciel-lavallee.ca