

## TAX RATES – 2018

## INDIVIDUALS

ONTARIO												
SALARY AND INCOME OTHER THAN DIVIDENDS			DIVIDENDS									
Taxable Income (\$)	Taxes Payable (\$)*	Marginal Rate (%)**	Regular				Eligible					
			Actual Dividend Received (\$)**	Federal Tax (\$)*	Provincial Tax (\$)*	Taxes Payable (\$)*	Marginal Rate (%)**	Actual Dividend Received (\$)**	Federal Tax (\$)*	Provincial Tax (\$)*	Taxes Payable (\$)*	Marginal Rate (%)**
First 10,354	0	0.00	First 23,352	(1,771)	(523)	0	0.00	First 31,130	(1,771)	(523)	0	0.00
10,354 to 11,809	0	5.05	23,352 to 30,733	(425)	0	0	2.24	31,130 to 33,772	(1,780)	(2,649)	0	0.00
11,809 to 42,960	73	20.05	30,733 to 37,034	0	165	165	8.00	33,772 to 54,824	(1,781)	(2,680)	0	0.00
42,960 to 46,605	6,319	24.15	37,034 to 40,177	363	306	669	12.76	54,824 to 57,316	(188)	(2,927)	0	0.00
46,605 to 75,657	7,200	29.65	40,177 to 65,222	544	526	1,070	19.14	57,316 to 62,263	0	(2,894)	0	7.56
75,657 to 85,923	15,814	31.48	65,222 to 74,072	3,586	2,278	5,864	21.26	62,263 to 64,588	374	(2,827)	374	7.56
85,923 to 89,131	19,045	33.89	74,072 to 76,837	4,660	3,085	7,746	24.06	64,588 to 67,542	550	(2,718)	550	7.56
89,131 to 93,208	20,132	37.91	76,837 to 80,352	4,996	3,415	8,411	28.72	67,542 to 91,168	773	(2,416)	751	15.15
93,208 to 144,489	21,678	43.41	80,352 to 124,559	5,423	3,997	9,420	35.10	91,168 to 104,702	4,353	0	4,353	25.38
144,489 to 150,000	43,939	46.41	124,559 to 129,310	13,612	11,325	24,937	38.58	104,702 to 108,696	6,404	1,384	7,788	29.52
150,000 to 205,842	46,496	47.97	129,310 to 177,450	14,657	12,113	26,770	40.39	108,696 to 149,161	7,175	1,792	8,967	31.67
205,842 to 220,000	73,284	51.97	177,450 to 189,655	25,250	20,964	46,213	45.03	149,161 to 159,420	14,981	6,801	21,782	37.19
In excess of 220,000	80,642	53.53	In excess of 189,655	28,502	23,208	51,709	46.84	In excess of 159,420	17,527	8,071	25,598	39.34

QUÉBEC												
SALARY AND INCOME OTHER THAN DIVIDENDS			DIVIDENDS									
Taxable Income (\$)	Taxes Payable (\$)*	Marginal Rate (%)**	Regular				Eligible					
			Actual Dividend Received (\$)**	Federal Tax (\$)*	Provincial Tax (\$)*	Taxes Payable (\$)*	Marginal Rate (%)**	Actual Dividend Received (\$)**	Federal Tax (\$)*	Provincial Tax (\$)*	Taxes Payable (\$)*	Marginal Rate (%)**
First 11,809	0	0.00	First 24,417	(1,771)	(2,252)	0	0.00	First 31,199	(1,771)	(2,252)	0	0.00
11,809 to 15,012	0	12.53	24,417 to 30,733	(364)	0	0	9.22	31,199 to 33,772	(1,780)	(917)	0	0.00
15,012 to 43,055	401	27.53	30,733 to 37,116	0	582	582	14.03	33,772 to 39,404	(1,781)	(630)	0	0.00
43,055 to 46,605	8,120	32.53	37,116 to 40,177	307	1,171	1,478	19.84	39,404 to 57,316	(1,355)	0	0	11.16
46,605 to 86,105	9,275	37.12	40,177 to 74,228	455	1,631	2,085	25.16	57,316 to 62,395	0	2,002	2,002	17.49
86,105 to 93,208	23,936	41.12	74,228 to 80,352	3,907	6,746	10,653	29.80	62,395 to 67,542	321	2,570	2,891	23.01
93,208 to 104,765	26,857	45.71	80,352 to 90,315	4,528	7,950	12,478	35.13	67,542 to 75,917	646	3,429	4,075	29.35
104,765 to 144,489	32,139	47.46	90,315 to 124,559	6,069	9,909	15,978	37.16	75,917 to 104,702	1,705	4,828	6,533	31.77
144,489 to 205,842	50,992	49.97	124,559 to 177,450	11,366	17,337	28,703	40.07	104,702 to 149,161	5,347	10,330	15,677	35.22
In excess of 205,842	81,647	53.31	In excess of 177,450	21,084	28,810	49,894	43.94	In excess of 149,161	12,509	18,827	31,336	39.83

\* The amount of tax is calculated based on the minimum taxable income of the tax bracket.

\*\* The marginal rate is the tax payable on an additional dollar of income within the tax bracket.

\*\*\* The gross-up rate for the eligible dividends is 38% and the gross-up rate for regular dividends is 16%, both at the Federal level and in Québec.

These tables take into account provincial surtax, refundable Québec abatement and the basic personal non-refundable credits only.

At the Federal level, these tables do not take into account the alternative minimum tax.

The Québec tables do not take into account the alternative minimum tax, the contribution to HSF and the health premiums.

The Ontario tables do not take into account the Ontario Tax Reduction, the Ontario additional tax for minimum tax purposes and the health premiums.

MAXIMUM COMBINED MARGINAL RATES					
Taxable Income	Ontario			Québec	
	(\$150,000 to \$205,842)	(\$205,842 to \$220,000)	(In excess of \$220,000)	(In excess of \$144,489)	(In excess of \$205,842)
	%	%	%	%	%
Eligible dividends	31.67	37.19	39.34	35.22	39.83
Regular dividends	40.39	45.03	46.84	40.07	43.94
Capital gains	23.98	25.98	26.76	24.98	26.65
Other income	47.97	51.97	53.53	49.97	53.31

INCOME TAX RATES FOR 2018					
FEDERAL <sup>2,3</sup>		ONTARIO		QUÉBEC	
\$0 - \$46,605	15%	\$0 - \$42,960	5.05%	\$0 - \$43,055	15%
\$46,605 - \$93,208	20.5%	\$42,960 - \$85,923	9.15% <sup>1</sup>	\$43,055 - \$86,105	20%
\$93,208 - \$144,489	26%	\$85,923 - \$150,000	11.16% <sup>1</sup>	\$86,105 - \$104,765	24%
\$144,489 - \$205,842	29%	\$150,000 - \$220,000	12.16% <sup>1</sup>	Over \$104,765	25.75%
Over \$205,842	33%	Over \$220,000	13.16% <sup>1</sup>		

<sup>1</sup> NOTE: These rates do not include Ontario Surtax, which is equal to 20% of provincial tax over \$4,638 and 36% of provincial tax over \$5,936.

<sup>2</sup> Residents of Québec are entitled to a refundable Québec abatement equal to 16.5% of Federal tax.

<sup>3</sup> Old age security: 15% of net income over \$75,910 must be reimbursed.

BASIC PERSONAL AMOUNT FOR 2018		
FEDERAL	ONTARIO	QUÉBEC
(15%)	(5.05%)	(15%)
\$11,809	\$10,354	\$15,012

DEFERRED INCOME PLANS – MAXIMUM ANNUAL CONTRIBUTIONS		
YEAR	RRSP	RPP
2017	\$26,010	\$26,230
2018	\$26,230	\$26,500
2019	\$26,500	indexed

## EMPLOYERS

Canada or Québec Pension Plan – 2018		ONTARIO		QUÉBEC	
Maximum pensionable earnings		\$	55,900.00	\$	55,900.00
Annual basic exemption			3,500.00		3,500.00
Maximum for calculation of contribution			52,400.00		52,400.00
Maximum contribution	- employee/employer	4.95%	2,593.80	5.40%	2,829.60
	- self-employed	9.90%	5,187.60	10.80%	5,659.20

  

Employment Insurance – 2018		ONTARIO		QUÉBEC	
Maximum annual insurable earnings		\$	51,700.00	\$	51,700.00
Maximum contribution	- employee	1.660%	858.22	1.300%	672.10
	- employer (1.4 times)	2.324%	1,201.51	1.820%	940.94

  

Québec Parental Insurance Plan – 2018			
Maximum annual insurable earnings			\$74,000.00
Maximum contribution	- employee	0.548%	405.52
	- employer	0.767%	567.58
	- self-employed	0.973%	720.02

  

Health Insurance (Ontario)			
- Calculation based on total payroll.			
- Exemption of \$450,000 for eligible associated employer groups having a total annual payroll of less than \$5M.			
	- \$0 to \$200,000		0.98%
	- \$200,000 to \$400,000	varies between 1.101 and 1.829	
	- Over \$400,000		1.95

  

Health Services Fund (Québec)			
- Calculation based on total payroll.			
	- \$0 to \$1,000,000		2.30%
	- \$1,000,000 - \$5,000,000	varies between 2.30 and 4.26	
	- Over \$5,000,000		4.26

  

Car Allowance:			
- 0 to 5 000 km	55 c/km		
- 5 001 km and +	49 c/km		

  

Vehicle Threshold:			
- Purchase: \$30,000 plus GST, QST or HST. Lease: \$800 plus GST, QST or HST. Purchase interest: \$300/month			

## CORPORATIONS

### CORPORATE TAX RATE FOR 2018 (assuming year-end is December 31)

	Federal	Ontario	Québec	COMBINED	
				Ontario	Québec
<b>Active business income</b>	%	%	%	%	%
Moins de 500 000 \$	10.0 <sup>(1)</sup>	3.5 <sup>(1)</sup>	8.0 <sup>(1)</sup>	13.5	18.0
In excess of 500 000 \$	15.0	11.5	11.7	26.5	26.7
<b>Inactive business income</b>	38.67 <sup>(2)</sup>	11.5	11.7	50.17	50.37

<sup>(1)</sup> The \$500,000 threshold is progressively reduced for large corporations (between \$10M and \$15M in taxable capital).

<sup>(2)</sup> Refundable tax of 30.67% is reimbursed at a rate of 38.33% of taxable dividends paid.

## USEFUL REFERENCES – CANADA REVENUE AGENCY – TAX SERVICES

### Ottawa Office

333 Laurier Avenue West  
Ottawa, Ontario K1A 0L9  
Fax: 613 238-7125

Payment by mail or drop box  
875 Heron Road  
Ottawa, Ontario K1A 1A2

### Outaouais Office

85, chemin de la Savane  
Gatineau, Québec K1A 1L4  
Fax: 819 994-1103

### REVENU QUÉBEC

170, rue de l'Hôtel-de-Ville, 6<sup>th</sup> Floor  
Gatineau, Québec J8X 4C2

Direction principale des relations avec la clientèle des **particuliers**  
3800, rue de Marly  
Québec, Québec G1X 4A5  
Tel.: 1 800 267-6299 (Individual)

Direction principale des relations avec la clientèle des **sociétés**  
C.P. 3000, succursale Place-Desjardins  
Montréal, Québec H5B 1A4  
Tel.: 1 800 567-4692 (Business)

### 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

P.O. Box 9769, Station T  
Ottawa, Ontario K1G 3Y4

### ONTARIO MINISTRY OF FINANCE

(Employer Health Tax)  
33 King Street West  
P.O. Box 627  
Oshawa, Ontario L1H 8H5  
Tel.: 1 866 668-8297  
Fax: 1 866 888-3850

### Sudbury Office

(Ottawa, Outaouais and Montreal Residents – All corr. except for T1)  
P.O. Box 20000, Station A  
Sudbury, Ontario P3A 5C1  
Fax: 1 855 276-1529

### Prince Edward Island Office

(Businesses located in Ottawa, Outaouais and Montréal)  
275 Pope Road  
Summerside, PE C1N 6A2  
Fax: 1 204 984-5164

### CORPORATE STATUTE INFO

FEDERAL  
Industry Canada: [www.ic.gc.ca](http://www.ic.gc.ca)

QUÉBEC  
REQ: 1 877 644-4545  
[www.registraireentreprises.gouv.qc.ca](http://www.registraireentreprises.gouv.qc.ca)

Consult our Website for other useful links: [www.marcil-lavallee.ca](http://www.marcil-lavallee.ca)