

TAX RATES – 2020

INDIVIDUALS

ONTARIO												
SALARY AND OTHER INCOME			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 10,783	0	0.00	First 22,944	(1,845)	(545)	0	0.00	First 32,420	(1,845)	(545)	0	0.00
10,783 to 12,298	0	5.05	22,944 to 26,870	(269)	0	0	2.37	32,420 to 35,170	(1,854)	(2,759)	0	0.00
12,298 to 44,740	77	20.05	26,870 to 38,904	0	93	93	9.24	35,170 to 57,089	(1,855)	(2,791)	0	0.00
44,740 to 48,535	6,581	24.15	38,904 to 42,204	826	379	1,205	13.95	57,089 to 59,689	(197)	(3,049)	0	0.00
48,535 to 78,783	7,498	29.65	42,204 to 68,507	1,053	613	1,666	20.28	59,689 to 64,482	0	(3,013)	0	7.56
78,783 to 89,482	16,466	31.48	68,507 to 77,810	4,522	2,477	6,999	22.38	64,482 to 67,264	390	(2,947)	390	7.56
89,482 to 92,825	19,834	33.89	77,810 to 80,717	5,749	3,332	9,081	25.16	67,264 to 70,340	573	(2,830)	573	7.56
92,825 to 97,069	20,967	37.91	80,717 to 84,408	6,133	3,680	9,813	29.78	70,340 to 94,945	805	(2,516)	805	15.15
97,069 to 150,000	22,576	43.41	84,408 to 130,435	6,620	4,292	10,912	36.10	94,945 to 108,696	4,534	0	4,534	25.38
150,000 to 150,473	45,553	44.97	130,435 to 130,486	15,602	11,927	27,529	37.90	108,696 to 109,038	6,617	1,406	8,023	27.53
150,473 to 214,368	45,766	47.97	130,486 to 186,407	15,682	12,002	27,684	41.35	109,038 to 155,339	6,669	1,448	8,117	31.67
214,368 to 220,000	76,416	51.97	186,407 to 191,304	28,442	22,215	50,657	45.95	155,339 to 159,420	15,602	7,180	22,782	37.19
In excess of 220,000	79,343	53.53	In excess of 191,304	29,792	23,115	52,907	47.74	In excess of 159,420	16,615	7,685	24,300	39.34

QUÉBEC												
SALARY AND OTHER INCOME			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 12,298	0	0.00	First 19,803	(1,845)	(2,330)	0	0.00	First 32,279	(1,845)	(2,330)	0	0.00
12,298 to 15,532	0	12.53	19,803 to 26,870	(485)	0	0	11.76	32,279 to 35,170	(1,854)	(860)	0	0.00
15,532 to 44,545	405	27.53	26,870 to 38,735	0	831	831	17.50	35,170 to 39,786	(1,854)	(529)	0	0.00
44,545 to 48,535	8,391	32.53	38,735 to 42,204	680	2,227	2,907	23.25	39,786 to 59,689	(1,505)	0	0	11.43
48,535 to 89,080	9,689	37.12	42,204 to 77,461	879	2,835	3,714	28.53	59,689 to 64,551	0	2,280	2,280	17.76
89,080 to 97,069	24,738	41.12	77,461 to 84,408	4,762	9,010	13,772	33.13	64,551 to 70,340	307	2,837	3,144	23.28
97,069 to 108,390	28,023	45.71	84,408 to 94,252	5,527	10,546	16,073	38.41	70,340 to 78,543	673	3,819	4,492	29.62
108,390 to 150,473	33,198	47.46	94,252 to 130,846	7,132	12,723	19,855	40.42	78,543 to 109,038	1,711	5,212	6,923	32.04
150,473 to 214,368	53,170	49.97	130,846 to 186,407	13,095	21,552	34,647	43.30	109,038 to 155,339	5,569	11,124	16,693	35.49
In excess of 214,368	85,095	53.31	In excess of 186,407	23,749	34,957	58,706	47.14	In excess of 155,339	13,028	20,102	33,130	40.10

* 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 eligible dividends is 38% and the gross-up rate for regular dividends is 15%, 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 and the contribution to HSF.

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	
	(\$150,473 to \$214,368)	(\$214,368 to \$220,000)	(In excess of \$220,000)	(\$150,473 to \$214,368)	(In excess of \$214,368)
Eligible dividends	31.67	37.19	39.34	35.49	40.10
Regular dividends	41.35	45.95	47.74	43.30	47.14
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 2020					
FEDERAL ^{2,3}		ONTARIO		QUÉBEC	
\$0 - \$48,535	15%	\$0 - \$44,740	5.05%	\$0 - \$44,545	15%
\$48,535 - \$97,069	20.5%	\$44,740 - \$89,482	9.15% ¹	\$44,545 - \$89,080	20%
\$97,069 - \$150,473	26%	\$89,482 - \$150,000	11.16% ¹	\$89,080 - \$108,390	24%
\$150,473 - \$214,368	29%	\$150,000 - \$220,000	12.16% ¹	\$108,390 and over	25.75%
\$214,368 and over	33%	\$220,000 and over	13.16% ¹		

¹ NOTE: These rates do not include Ontario Surtax, which is equal to 20% of provincial tax over \$4,830 and 36% of provincial tax over \$6,182.

² Residents of Québec are entitled to a refundable Québec abatement equal to 16.5 % of the Federal tax payable.

³ Old age security: 15% of net income over \$79,054 must be reimbursed.

BASIC PERSONAL AMOUNT FOR 2020		
FEDERAL	ONTARIO	QUÉBEC
(15%)	(5.05%)	(15%)
\$12,298	\$10,783	\$15,532

DEFERRED INCOME PLANS – MAXIMUM ANNUAL CONTRIBUTIONS		
YEAR	RRSP	RPP
2019	\$26,500	\$27,230
2020	\$27,230	\$27,830
2021	\$27,830	indexed

EMPLOYERS

Canada or Québec Pension Plan – 2020		ONTARIO		QUÉBEC	
Maximum pensionable earnings		\$	58,700.00	\$	58,700.00
Annual basic exemption			3,500.00		3,500.00
Maximum for calculation of contribution			55,200.00		55,200.00
Maximum contribution	- employee/employer		5.25%		5.70%
	- self-employed		10.50%		11.40%
			5,796.00		6,292.80
Employment Insurance – 2020		ONTARIO		QUÉBEC	
Maximum annual insurable earnings		\$	54,200.00	\$	54,200.00
Maximum contribution	- employee		1.580%		1.200%
	- employer (1.4 times)		2.212%		1.680%
			856.36		650.40
			1,198.90		910.56
Québec Parental Insurance Plan – 2020					\$ 78,500.00
Maximum annual insurable earnings					
Maximum contribution	- employee		0.494%		387.79
	- employer		0.692%		543.22
	- self-employed		0.878%		689.23
Health Insurance (Ontario)					
- Calculation based on total payroll.					
- Exemption of \$490,000 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				1.65%
	- \$1,000,000 to \$6,000,000			varies between 1.65 and 4.26	
	- Over \$6,000,000				4.26
Car Allowance:					
- 0 to 5,000 km			\$0.59/km		
- 5,001 km and up			\$0.53/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 2020 (assuming year-end is December 31)					
	Federal	Ontario	Québec	COMBINED	
				Ontario	Québec
Active business income	%	%	%	%	%
Less than \$500,000	9.0 ⁽¹⁾	3.2 ⁽¹⁾	5.0 ⁽¹⁾	12.2	14.0
In excess of \$500,000	15.0	11.5	11.5	26.5	26.5
Inactive business income	38.67 ⁽²⁾	11.5	11.5	50.17	50.17

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

⁽²⁾ 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 ON K1A 0L9
Fax: 613 952-1982

Payment by mail or drop box
P.O. Box 3800, Station A
Sudbury ON P3A 0C3

Western Québec Tax Service Office

85 Chemin de La Savane
Gatineau QC K1A 1L4
Fax: 819 994-1103

REVENU QUÉBEC

170, rue de l'Hôtel-de-Ville, 6th Floor
Gatineau QC J8X 4C2

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

Direction principale des relations avec la clientèle des **entreprises**
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 20000, Station A
Sudbury ON P3A 5C1

ONTARIO MINISTRY OF FINANCE

(Employer Health Tax)
33 King Street West
P.O. Box 627
Oshawa ON 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 ON P3A 5C1
Fax: 1 855 276-1529

Prince Edward Island Office

(Businesses located in Ottawa, Outaouais and Montreal)
275 Pope Road
Summerside PE C1N 6A2
Fax: 1 902 432-6287

CORPORATE STATUTE INFO

FEDERAL
Industry Canada : www.ic.gc.ca

QUÉBEC
REQ : 1 800 644-0075
www.registreentreprises.gouv.qc.ca

Consult our Website for other useful links: www.marcel-lavallee.ca