

## TAX RATES – 2021

## 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 10,880	0	0.00	First 23,151	(2,071)	(549)	0	0.00	First 32,712	(2,071)	(549)	0	0.00
10,880 to 13,808	0	5.05	23,151 to 30,169	(482)	0	0	2.37	32,712 to 35,522	(2,080)	(2,784)	0	0.00
13,808 to 45,142	148	20.05	30,169 to 39,254	0	167	167	9.24	35,522 to 57,612	(2,081)	(2,817)	0	0.00
45,142 to 49,020	6,430	24.15	39,254 to 42,626	624	382	1,006	13.95	57,612 to 63,037	(410)	(3,076)	0	0.00
49,020 to 79,505	7,367	29.65	42,626 to 69,135	855	621	1,476	20.28	63,037 to 65,425	0	(3,140)	0	7.56
79,505 to 90,287	16,406	31.48	69,135 to 78,510	4,352	2,500	6,852	22.38	65,425 to 67,866	181	(3,168)	181	7.56
90,287 to 93,655	19,800	33.89	78,510 to 81,439	5,589	3,362	8,951	25.16	67,866 to 71,043	365	(3,129)	365	7.56
93,655 to 98,040	20,941	37.91	81,439 to 85,252	5,975	3,713	9,688	29.78	71,043 to 95,798	605	(3,078)	605	15.15
98,040 to 150,000	22,604	43.41	85,252 to 130,435	6,478	4,345	10,823	36.10	95,798 to 108,696	4,356	0	4,356	25.38
150,000 to 151,978	45,159	44.97	130,435 to 132,155	15,295	11,839	27,134	37.90	108,696 to 110,129	6,311	1,319	7,630	27.53
151,978 to 216,511	46,049	48.29	132,155 to 188,270	15,631	12,156	27,787	41.72	110,129 to 156,892	6,528	1,496	8,024	32.11
216,511 to 220,000	77,213	51.97	188,270 to 191,304	28,726	22,470	51,196	45.95	156,892 to 159,420	15,758	7,285	23,043	37.19
In excess of 220,000	79,026	53.53	In excess of 191,304	29,563	23,028	52,590	47.74	In excess of 159,420	16,385	7,598	23,983	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 13,808	0	0.00	First 18,667	(2,071)	(2,359)	0	0.00	First 32,685	(2,071)	(2,359)	0	0.00
13,808 to 15,728	0	12.53	18,667 to 30,169	(790)	0	0	12.64	32,685 to 35,522	(2,080)	(871)	0	0.00
15,728 to 45,105	240	27.53	30,169 to 39,222	0	1,454	1,454	18.37	35,522 to 40,287	(2,081)	(546)	0	0.00
45,105 to 49,020	8,327	32.53	39,222 to 42,626	519	2,598	3,117	24.12	40,287 to 63,037	(1,721)	0	0	11.43
49,020 to 90,200	9,600	37.12	42,626 to 78,435	714	3,224	3,938	29.40	63,037 to 65,362	0	2,606	2,606	17.77
90,200 to 98,040	24,885	41.12	78,435 to 85,252	4,658	9,809	14,467	34.00	65,362 to 71,043	147	2,872	3,019	23.29
98,040 to 109,755	28,108	45.71	85,252 to 94,439	5,409	11,376	16,785	39.28	71,043 to 79,533	506	3,836	4,342	29.62
109,755 to 151,978	33,463	47.46	94,439 to 132,155	7,069	13,718	20,787	41.30	79,533 to 110,129	1,580	5,277	6,857	32.04
151,978 to 216,511	53,502	50.23	132,155 to 188,270	13,052	22,897	35,949	44.48	110,129 to 156,892	5,541	11,210	16,661	35.86
In excess of 216,511	85,920	53.31	In excess of 188,270	23,986	36,926	60,913	48.02	In excess of 156,892	13,158	20,277	33,435	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	
	(\$151,978 to \$216,511)	(\$216,511 to \$220,000)	(In excess of \$220,000)	(\$151,978 to \$216,511)	(In excess of \$216,511)
	%	%	%	%	%
Eligible dividends	32.11	37.19	39.34	35.86	40.10
Regular dividends	41.72	45.95	47.74	44.48	48.02
Capital gains	24.15	25.98	26.76	24.98	26.65
Other income	48.29	51.97	53.53	50.23	53.31

INCOME TAX RATES FOR 2021					
FEDERAL <sup>2,3</sup>		ONTARIO		QUÉBEC	
\$0 - \$49,020	15%	\$0 - \$45,142	5.05%	\$0 - \$45,105	15%
\$49,020 - \$98,040	20.5%	\$45,142 - \$90,287	9.15% <sup>1</sup>	\$45,105 - \$90,200	20%
\$98,040 - \$151,978	26%	\$90,287 - \$150,000	11.16% <sup>1</sup>	\$90,200 - \$109,755	24%
\$151,978 - \$216,511	29%	\$150,000 - \$220,000	12.16% <sup>1</sup>	\$109,755 and over	25.75%
\$216,511 and over	33%	\$220,000 and over	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 \$4,874 and 36% of provincial tax over \$6,237.

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

<sup>3</sup> Old age security: 15% of net income over \$79,845 must be reimbursed.

BASIC PERSONAL AMOUNT FOR 2021		
FEDERAL	ONTARIO	QUÉBEC
(15%)	(5.05%)	(15%)
\$13,808 <sup>1</sup>	\$10,880	\$15,728

DEFERRED INCOME PLANS – MAXIMUM ANNUAL CONTRIBUTIONS		
YEAR	RRSP	RPP
2020	\$27,230	\$27,830
2021	\$27,830	\$29,210
2022	\$29,210	indexed

<sup>1</sup> This amount applies to individuals whose net income for the year is less than or equal to the amount at which the 29% tax rate applies. This amount is reduced gradually to reach \$12,421 for individuals whose net income is greater than or equal to the time at which the 33% tax rate applies.

## EMPLOYERS

Canada or Québec Pension Plan – 2021		ONTARIO		QUÉBEC	
Maximum pensionable earnings		\$	61,600.00	\$	61,600.00
Annual basic exemption			3,500.00		3,500.00
Maximum for calculation of contribution			58,100.00		58,100.00
Maximum contribution	- employee/employer		5.45%		5.9%
	- self-employed		10.90%		11.8%
			6,332.90		6,855.80
Employment Insurance – 2021		ONTARIO		QUÉBEC	
Maximum insurable earnings		\$	56,300.00	\$	56,300.00
Maximum contribution	- employee		1.580%		1.180%
	- employer (1.4 times)		2.212%		1.652%
			889.54		664.34
			1,245.36		930.08
Québec Parental Insurance Plan – 2021					\$ 83,500.00
Maximum insurable earnings					
Maximum contribution	- employee		0.494%		412.49
	- employer		0.692%		577.82
	- self-employed		0.878%		733.13
Health Insurance (Ontario)					
-	Calculation based on total payroll.				
-	Exemption of \$1,000,000 for eligible affiliated 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 2021 (assuming year-end is December 31)					
	Federal	Ontario	Québec	COMBINED	
				Ontario	Québec
<b>Active business income</b>	%	%	%	%	%
Less than \$500,000	9.0 (1)	3.2 (1)	4.0 (1)	12.2	13.0
In excess of \$500,000	15.0	11.5	11.5	26.5	26.5
<b>Inactive business income</b>	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

300-85 Chemin de La Savane  
Gatineau QC K1A 1L4  
Fax: 819 994-1103

### REVENU QUÉBEC

170, rue de l'Hôtel-de-Ville, 6<sup>th</sup> 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 hard copy)  
1050 Notre-Dame avenue  
Sudbury ON P3A 5C2  
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](http://www.ic.gc.ca)

### QUÉBEC

REQ : 1 800 644-0075  
[www.registreentreprises.gouv.qc.ca](http://www.registreentreprises.gouv.qc.ca)

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