

New Brunswick

Combined federal and provincial personal income tax rates - 2016¹

Taxable income		New Brunswick					
Lower limit	Upper limit	Basic tax ²	Rate on excess	Marginal rate on			
				Eligible dividend income ³	Other dividend income ³	Capital gains ⁴	
\$ -	to \$ 11,474	\$ -	0.00%	0.00%	0.00%	0.00%	
11,475	to 16,285	-	15.00%	0.00%	5.24%	7.50%	
16,286	to 37,345 ⁵	722	27.68%	0.00%	15.83%	13.84%	
37,346	to 40,492	6,551	24.68%	0.00%	12.32%	12.34%	
40,493	to 45,282	7,328	29.82%	1.82%	18.34%	14.91%	
45,283	to 80,985	8,756	35.32%	9.38%	24.77%	17.66%	
80,986	to 90,563	21,366	37.02%	11.73%	26.76%	18.51%	
90,564	to 131,664	24,912	42.52%	19.32%	33.20%	21.26%	
131,665	to 140,388	42,388	43.84%	21.14%	34.74%	21.92%	
140,389	to 150,000	46,213	46.84%	25.28%	38.25%	23.42%	
150,001	to 200,000	50,715	49.30%	28.68%	41.13%	24.65%	
200,001	and up	75,365	53.30%	34.20%	45.81%	26.65%	

1. The tax rates reflect budget proposals and news releases to 30 June 2016. Where the tax is determined under the alternative minimum tax provisions (AMT), the above table is not applicable. AMT may be applicable where the tax otherwise payable is less than the tax determined by applying the relevant AMT rate to the individual's taxable income adjusted for certain preference items.

2. The tax determined by the table should be reduced by the applicable federal and provincial tax credits (see chart below), other than the basic personal tax credits, which have been reflected in the calculations.

3. The rates apply to the actual amount of taxable dividends received from taxable Canadian corporations. Eligible dividends are those paid by public corporations and private companies out of earnings that have been taxed at the general corporate tax rate (the dividend must be designated by the payor corporation as an eligible dividend). Where the dividend tax credit exceeds the federal and provincial tax otherwise payable on the dividends, the rates do not reflect the value of the excess credit that may be used to offset taxes payable from other sources of income. This assumption is consistent with prior year rates.

4. The rates apply to the actual amount of the capital gain. The capital gains exemption on qualified farm and fishing property and small business corporation shares may apply to eliminate the tax on those specific properties.

5. Individuals resident in New Brunswick on 31 December 2016 with taxable income up to \$16,285 pay no provincial income tax as a result of a low-income tax reduction. The low-income tax reduction is clawed back for income in excess of \$16,285 until the reduction is eliminated, resulting in an additional 3% of provincial tax on income between \$16,286 and \$37,345.

Federal and provincial personal tax credits - 2016¹

	Federal credit	Provincial credit
Amount of credits:		
Basic personal credit (see note 2 above) ²	\$ 1,721	\$ 945
Spousal credit (reduced when spouse's income over \$0 (federal) and \$829 (provincial)) ²	1,721	802
Equivalent-to-spouse credit (reduced when dependant's income over \$0 (federal) and \$829 (provincial)) ²	1,721	802
Infirm dependant aged 18 or over (reduced when dependant's income over \$6,807 (federal) and \$6,539 (provincial))	1,018	446
Caregiver credit (reduced when the particular person's income exceeds \$15,940 (federal) and \$15,738 (provincial)) ²	700	446
Age credit (65 and over) ³	1,069	461
Disability credit	1,200	765
Pension income (maximum)	300	97
Education and textbook - per month	70	39
Canada employment credit	174	-
Child arts credits ⁴	38	-
Credits as a percentage of:		
Tuition fees	15.00%	9.68%
Public transit passes	15.00%	-
Medical expenses ⁵	15.00%	9.68%
Charitable donations		
- First \$200	15.00%	9.68%
- Remainder ⁶	29% / 33%	17.95%
CPP contributions ⁷	15.00%	9.68%
EI premiums	15.00%	9.68%

1. This table lists the most common non-refundable tax credits; other non-refundable and refundable credits may be available.

2. A federal family caregiver tax credit of \$318 may be available in respect of a spouse, dependant or child who is dependent on the individual by reason of mental or physical infirmity.

3. The maximum federal age credit of \$1,069 occurs at \$35,927 of net income and declines to nil as net income rises to \$83,427. The maximum provincial age credit of \$461 occurs at \$35,471 of net income and declines to nil as net income rises to \$67,238.

4. In addition, a refundable (formerly non-refundable) federal child fitness tax credit of up to \$75 per child may be claimed. Additional amounts may be available for a child with a disability.

5. The federal credit applies to eligible medical expenses that exceed the lesser of \$2,237 and 3% of net income. The provincial credit applies to eligible medical expenses that exceed the lesser of \$2,207 and 3% of net income.

6. The federal tax credit rate of 33% applies to charitable donations in excess of \$200 to extent the individual has taxable income in excess of \$200,000; otherwise, a federal tax credit rate of 29% applies.

7. One-half of CPP paid by self-employed individuals is deductible in computing taxable income.