

Newfoundland and Labrador

Combined federal and provincial personal income tax rates - 2016^{1, 5}

Taxable income		Newfoundland and Labrador				
Lower limit	Upper limit	Basic tax ²	Rate on excess	Marginal rate on		Capital gains ⁴
				Eligible dividend income ³	Other dividend income ^{3, 7}	
\$ -	to \$ 11,474	\$ -	0.00%	0.00%	0% / 0%	0.00%
11,475	to 17,351	-	15.00%	0.00%	5.24% / 5.24%	7.50%
17,352	to 19,031	882	23.20%	3.86%	10.04% / 10.74%	11.60%
19,032	to 23,412 ⁶	1,271	39.20%	25.94%	28.76% / 29.46%	19.60%
23,413	to 35,148	2,989	23.20%	3.86%	10.04% / 10.74%	11.60%
35,149	to 45,282	5,711	28.50%	11.18%	16.24% / 16.94%	14.25%
45,283	to 70,295	8,600	34.00%	18.74%	22.67% / 23.37%	17.00%
70,296	to 90,563	17,104	35.05%	20.19%	23.90% / 24.60%	17.53%
90,564	to 125,500	24,208	40.55%	27.78%	30.34% / 31.04%	20.28%
125,501	to 140,388	38,375	41.80%	29.50%	31.80% / 32.50%	20.90%
140,389	to 175,700	44,598	44.80%	33.64%	35.31% / 36.01%	22.40%
175,701	to 200,000	60,418	45.80%	35.02%	36.48% / 37.18%	22.90%
200,001	and up	71,547	49.80%	40.54%	41.16% / 41.86%	24.90%

1. The tax rates reflect budget proposals and news releases to 30 June 2016. The rates do not include the Newfoundland and Labrador Temporary Deficit Reduction Levy (see note 5 below). 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. Beginning on 1 July 2016, individuals resident in Newfoundland and Labrador on 31 December 2016 with taxable income in excess of \$50,000 must pay the Temporary Deficit Reduction Levy. For 2016, the levy ranges from \$nil to \$900 depending on the individual's taxable income, with the maximum levy being payable by individuals with taxable income in excess of \$600,999.

6. Individuals resident in Newfoundland and Labrador on 31 December 2016 with taxable income up to \$17,351 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 \$19,031 until the reduction is eliminated, resulting in an additional 16% of provincial tax on income between \$19,032 and \$23,412.

7. As announced in the province's 2016 budget, the dividend tax credit rate for other dividends is reduced for dividends received on or after 1 July 2016. The rates above reflect the dividend tax credit rates effective before 1 July 2016 and after 30 June 2016.

Federal and provincial personal tax credits - 2016¹

	Federal credit	Provincial credit
Amount of credits:		
Basic personal credit (see note 2 above) ²	\$ 1,721	\$ 722
Spousal credit (reduced when spouse's income over \$0 (federal) and \$720 (provincial)) ²	1,721	590
Equivalent-to-spouse credit (reduced when dependant's income over \$0 (federal) and \$720 (provincial)) ²	1,721	590
Infirm dependant aged 18 or over (reduced when dependant's income over \$6,807 (federal) and \$6,007 (provincial))	1,018	229
Caregiver credit (reduced when particular person's income exceeds \$15,940 (federal) and \$13,660 (provincial)) ²	700	229
Age credit (65 and over) ³	1,069	461
Disability credit	1,200	487
Pension income (maximum)	300	82
Education and textbook - per month	70	16
Canada employment credit	174	-
Child arts credits ⁴	38	-
Credits as a percentage of:		
Tuition fees	15.00%	8.20%
Public transit passes	15.00%	-
Medical expenses ⁵	15.00%	8.20%
Charitable donations		
- First \$200	15.00%	8.20%
- Remainder ⁶	29% / 33%	16.80%
CPP contributions ⁷	15.00%	8.20%
EI premiums	15.00%	8.20%

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 \$30,790 of net income and declines to nil as net income rises to \$68,250.

4. In addition, a refundable (formerly non-refundable) federal child fitness tax credit of up to \$75 per child may be available. 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 \$1,917 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.