

Ontario

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

Taxable income		Ontario				
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 14,585	-	15.00%	0.00%	5.24%	7.50%
14,586	to 19,160 ⁶	467	25.10%	0.00%	7.03%	12.55%
19,161	to 41,536	1,615	20.05%	0.00%	6.13%	10.03%
41,537	to 45,282	6,101	24.15%	0.00%	10.93%	12.08%
45,283	to 73,142	7,006	29.65%	7.56%	17.37%	14.83%
73,143	to 83,075	15,267	31.48%	8.92%	19.51%	15.74%
83,076	to 86,177	18,393	33.89%	12.24%	22.33%	16.95%
86,178	to 90,563	19,445	37.91%	17.79%	27.03%	18.95%
90,564	to 140,388	21,107	43.41%	25.38%	33.46%	21.70%
140,389	to 150,000	42,736	46.41%	29.52%	36.97%	23.20%
150,001	to 200,000	47,197	47.97%	31.67%	38.80%	23.98%
200,001	to 220,000	71,182	51.97%	37.19%	43.48%	25.98%
220,001	and up	81,576	53.53%	39.34%	45.30%	26.76%

1. The tax rates include the provincial surtaxes and reflect budget proposals and news releases up to 30 June 2016. The rates do not include the Ontario Health Premium (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. Where applicable, the provincial surtax has been applied prior to deducting the dividend tax credit.

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

5. Individuals resident in Ontario on 31 December 2016 with taxable income in excess of \$20,000 must pay the Ontario Health Premium. The premium ranges from \$nil to \$900 depending on the individual's taxable income, with the top premium being payable by individuals with taxable income in excess of \$200,599.

6. Individuals resident in Ontario on 31 December 2016 with taxable income up to \$14,585 pay no provincial income tax as a result of a low-income tax reduction. The low-income tax reduction (\$231 of Ontario tax) is clawed back for income in excess of \$14,585 until the reduction is eliminated, resulting in an additional 5.05% of provincial tax on income between \$14,586 and \$19,160.

Federal and provincial personal tax credits - 2016¹

	Federal credit	Provincial credit ²
Amount of credits:		
Basic personal credit (see note 2 above) ³	\$ 1,721	\$ 789
Spousal credit (reduced when spouse's income over \$0 (federal) and \$850 (provincial)) ³	1,721	670
Equivalent-to-spouse credit (reduced when dependant's income over \$0 (federal) and \$850 (provincial)) ³	1,721	670
Infirm dependant aged 18 or over (reduced when dependant's income over \$6,807 (federal) and \$6,707 (provincial))	1,018	372
Caregiver credit (reduced when particular person's income over \$15,940 (federal) and \$16,143 (provincial)) ³	700	372
Age credit (65 and over) ⁴	1,069	247
Disability credit	1,200	637
Pension income (maximum)	300	109
Education and textbook - per month	70	42
Canada employment credit	174	-
Child fitness and arts credits ⁵	38	-
Credits as a percentage of:		
Tuition fees	15.00%	7.88%
Public transit passes	15.00%	-
Medical expenses ⁶	15.00%	7.88%
Charitable donations		
- First \$200	15.00%	7.88%
- Remainder ⁷	29% / 33%	17.41%
CPP contributions ⁸	15.00%	7.88%
EI premiums	15.00%	7.88%

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

2. The tax value of each provincial tax credit includes the reduction in provincial surtax as it would apply to taxpayers in the highest tax bracket (except for the age credit).

3. 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.

4. 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 \$247 occurs at \$36,387 of net income and declines to nil as net income rises to \$68,974.

5. In addition, a refundable (formerly non-refundable) federal child fitness tax credit of up to \$75 per child may be available. A provincial refundable tax credit of up to \$56 per child is also available. Additional federal and provincial amounts may be available for a child with a disability.

6. The 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 \$2,266 and 3% of net income.

7. 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.

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