

## Ontario

### Combined federal and provincial personal income tax rates - 2017<sup>1,5</sup>

Taxable income		Ontario					
Lower limit	Upper limit	Basic tax <sup>2</sup>	Rate on excess	Marginal rate on			
				Eligible dividend income <sup>3</sup>	Other dividend income <sup>3</sup>	Capital gains <sup>4</sup>	
\$ -	to \$ 11,635	\$ -	0.00%	0.00%	0.00%	0.00%	
11,636	to 14,824	-	15.00%	0.00%	5.24%	7.50%	
14,825	to 19,478 <sup>6</sup>	478	25.10%	0.00%	7.03%	12.55%	
19,479	to 42,201	1,646	20.05%	0.00%	6.13%	10.03%	
42,202	to 45,916	6,202	24.15%	0.00%	10.93%	12.08%	
45,917	to 74,316	7,100	29.65%	7.56%	17.37%	14.83%	
74,317	to 84,404	15,520	31.48%	8.92%	19.51%	15.74%	
84,405	to 87,557	18,696	33.89%	12.24%	22.33%	16.95%	
87,558	to 91,831	19,765	37.91%	17.79%	27.03%	18.95%	
91,832	to 142,353	21,385	43.41%	25.38%	33.46%	21.70%	
142,354	to 150,000	43,316	46.41%	29.52%	36.97%	23.20%	
150,001	to 202,800	46,865	47.97%	31.67%	38.80%	23.98%	
202,801	to 220,000	72,193	51.97%	37.19%	43.48%	25.98%	
220,001	and up	81,132	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 19 May 2017. 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. Effective for 2017 and subsequent taxation years, provincial surtax and the Ontario tax reduction are pro-rated if the individual is a multijurisdictional filer.
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 2017 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 2017 with taxable income up to \$14,824 pay no provincial income tax as a result of a low-income tax reduction. The low-income tax reduction (\$235 of Ontario tax) is clawed back for income in excess of \$14,824 until the reduction is eliminated, resulting in an additional 5.05% of provincial tax on income between \$14,825 and \$19,478.

A chart of the most common non-refundable tax credits is available on the next page

Source: Ernst & Young Electronic Publishing Services Inc.

## Ontario

### Federal and provincial personal tax credits - 2017<sup>1</sup>

	Federal credit	Provincial credit <sup>2</sup>
Amount of credits:		
Basic personal credit (see note 2 above) <sup>4</sup>	\$ 1,745	\$ 801
Spousal credit (reduced when spouse's income over \$0 (federal) and \$864 (provincial)) <sup>4</sup>	1,745	680
Equivalent-to-spouse credit (reduced when dependant's income over \$0 (federal) and \$864 (provincial)) <sup>4</sup>	1,745	680
Caregiver credit (reduced when particular person's income over \$16,163 (federal) and \$16,401 (provincial)) <sup>3</sup>	1,032	378
Age credit (65 and over) <sup>5</sup>	1,084	251
Disability credit	1,217	647
Pension income (maximum)	300	111
Education – per month <sup>6</sup>	-	43
Canada employment credit	177	-
Credits as a percentage of:		
Tuition fees <sup>6</sup>	15.00%	7.88%
Public transit passes	15.00% <sup>7</sup>	-
Medical expenses <sup>8</sup>	15.00%	7.88%
Charitable donations		
– First \$200	15.00%	7.88%
– Remainder <sup>9</sup>	29% / 33%	17.41%
CPP contributions <sup>10</sup>	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. Effective for 2017 and subsequent taxation years, (1) the Canada caregiver credit replaces the federal infirm dependant tax credit, the caregiver tax credit and the family caregiver tax credit; (2) the Ontario caregiver tax credit replaces the provincial infirm dependant tax credit and the caregiver tax credit. These credits are available for an individual who is a caregiver in respect of a related individual who is dependent by reason of an infirmity.

4. A federal caregiver tax credit of \$322 may be available in respect of a spouse, dependant or child who is dependent on the individual by reason of mental or physical infirmity.

5. The maximum federal age credit of \$1,084 occurs at \$36,430 of net income and declines to nil as net income rises to \$84,597. The maximum provincial age credit of \$251 occurs at \$36,969 of net income and declines to nil as net income rises to \$70,076.

6. The education credit is eliminated for enrolment months occurring after August 2017. The provincial tuition credit is eliminated for eligible tuition fees paid in respect of periods of study (and examinations) after 4 September 2017.

7. The public transit tax credit is eliminated effective 1 July 2017.

8. The credit applies to eligible medical expenses that exceed the lesser of \$2,268 and 3% of net income. The provincial credit applies to eligible medical expenses that exceed the lesser of \$2,302 and 3% of net income.

9. 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 \$202,800; otherwise, a federal tax credit rate of 29% applies.

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