

New Brunswick

Combined federal and provincial personal income tax rates – 2010¹

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 \$ 10,382	\$ -	0.00%	0.00%	0.00%	0.00%	
10,383	to 14,648	-	15.00	0.00	2.08	7.50	
14,649	to 32,848 ⁵	640	27.30	0.71	10.83	13.65	
32,849	to 36,421	5,609	24.30	0.00	7.08	12.15	
36,422	to 40,970	6,477	27.50	0.99	11.08	13.75	
40,971	to 72,843	7,728	34.50	6.79	19.83	17.25	
72,844	to 81,941	18,724	35.30	7.95	20.83	17.65	
81,942	to 118,427	21,935	39.30	13.71	25.83	19.65	
118,428	to 127,021	36,274	40.30	15.15	27.08	20.15	
127,022	and up	39,738	43.30	19.47	30.83	21.65	

- The tax rates reflect budget proposals and news releases to 15 December 2010. 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.
- 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.
- 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).
- 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.
- Individuals resident in New Brunswick on 31 December 2010 with taxable income up to \$14,648 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 \$14,648 until the reduction is eliminated, resulting in an additional 3% of provincial tax on income between \$14,648 and \$32,848.

Federal and provincial personal tax credits – 2010

	Federal credit	Provincial credit
Amount of credits:		
Basic personal credit (see note 2 above)	\$ 1,557	\$ 816
Spousal credit (reduced when spouse's income over \$0 (federal) and \$746 (provincial))	1,557	693
Equivalent-to-spouse credit (reduced when dependant's income over \$0 (federal) and \$746 (provincial))	1,557	693
Infirm dependant aged 18 or over (reduced when dependant's income over \$5,992 (federal) and \$5,881 (provincial))	633	386
Caregiver credit (reduced when particular person's income exceeds \$14,422 (federal) and \$14,156 (provincial))	633	385
Age credit (65 and over) ¹	967	399
Disability credit	1,086	661
Pension income (maximum)	300	93
Education and textbook – per month	70	37
Canada employment credit	158	-
Child tax credit – per child under 18	315	-
Credits as a percentage of:		
Tuition fees	15.00%	9.30%
Public transit passes	15.00%	-
Medical expenses ²	15.00%	9.30%
Charitable donations		
- First \$200	15.00%	9.30%
- Remainder	29.00%	14.30%
CPP contributions ³	15.00%	9.30%
EI premiums	15.00%	9.30%

- The maximum federal age credit of \$967 occurs at \$32,506 of net income and declines to nil as net income rises to \$75,480. The maximum provincial age credit of \$399 occurs at \$31,905 of net income and declines to nil as net income rises to \$60,479.
- The federal credit applies to eligible medical expenses that exceed the lesser of \$2,024 and 3% of net income. The provincial credit applies to eligible medical expenses that exceed the lesser of \$1,985 and 3% of net income.
- One-half of CPP paid by self-employed individuals is deductible in computing taxable income.

Source: Ernst & Young Electronic Publishing Services Inc.