

# New Brunswick

## Combined federal and provincial personal income tax rates – 2011<sup>1</sup>

Taxable income		New Brunswick					
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 \$ 10,527	\$ -	0.00%	0.00%	0.00%	0.00%	
10,528	to 14,941	-	15.00	0.00	2.08	7.50	
14,942	to 33,105 <sup>5</sup>	662	27.10	0.14	10.58	13.55	
33,106	to 37,150	5,584	24.10	0.00	6.83	12.05	
37,151	to 41,544	6,559	27.10	0.14	10.58	13.55	
41,545	to 74,300	7,750	34.10	7.99	19.33	17.05	
74,301	to 83,088	18,920	34.40	8.41	19.71	17.20	
83,089	to 120,796	21,943	38.40	14.05	24.71	19.20	
120,797	to 128,800	36,423	40.30	16.73	27.08	20.15	
128,801	and up	39,649	43.30	20.96	30.83	21.65	

- The tax rates reflect budget proposals and news releases to 15 July 2011. 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. The rates assume the dividends are the only source of income. 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 2011 with taxable income up to \$14,941 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 \$14,941 until the reduction is eliminated, resulting in an additional 3% of provincial tax on income between \$14,941 and \$33,105.

## Federal and provincial personal tax credits – 2011

	Federal credit	Provincial credit
<b>Amount of credits:</b>		
Basic personal credit (see note 2 above)	\$ 1,579	\$ 815
Spousal credit (reduced when spouse's income over \$0 (federal) and \$761 (provincial))	1,579	692
Equivalent-to-spouse credit (reduced when dependant's income over \$0 (federal) and \$761 (provincial))	1,579	692
Infirm dependant aged 18 or over (reduced when dependant's income over \$6,076 (federal) and \$5,999 (provincial))	642	385
Caregiver credit (reduced when particular person's income exceeds \$14,624 (federal) and \$14,439 (provincial))	642	385
Age credit (65 and over) <sup>1</sup>	981	398
Disability credit	1,101	660
Pension income (maximum)	300	91
Education and textbook - per month	70	36
Canada employment credit	160	-
Child tax credit - per child under 18	320	-
<b>Credits as a percentage of:</b>		
Tuition fees	15.00%	9.10%
Public transit passes	15.00%	-
Medical expenses <sup>2</sup>	15.00%	9.10%
Charitable donations		
- First \$200	15.00%	9.10%
- Remainder	29.00%	14.30%
CPP contributions <sup>3</sup>	15.00%	9.10%
EI premiums	15.00%	9.10%

- The maximum federal age credit of \$981 occurs at \$32,961 of net income and declines to nil as net income rises to \$76,541. The maximum provincial age credit of \$398 occurs at \$32,543 of net income and declines to nil as net income rises to \$61,683.
- The federal credit applies to eligible medical expenses that exceed the lesser of \$2,052 and 3% of net income. The provincial credit applies to eligible medical expenses that exceed the lesser of \$2,026 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.