

Newfoundland and Labrador

Combined federal and provincial personal income tax rates – 2011¹

Taxable income		Newfoundland and Labrador					
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 \$ 10,527	\$ -	0.00%	0.00%	0.00%	0.00%	
10,528	to 15,418	-	15.00	0.00	2.08	7.50	
15,419	to 16,343	734	22.70	0.00	5.46	11.35	
16,344	to 19,918 ⁵	944	38.70	17.91	25.46	19.35	
19,919	to 31,904	2,117	22.70	0.00	5.46	11.35	
31,905	to 41,544	4,838	27.50	2.12	11.46	13.75	
41,545	to 63,807	7,489	34.50	9.96	20.21	17.25	
63,808	to 83,088	15,170	35.30	11.09	21.21	17.65	
83,089	to 128,800	21,976	39.30	16.73	26.21	19.65	
128,801	and up	39,941	42.30	20.96	29.96	21.15	

- 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. 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 Newfoundland and Labrador on 31 December 2011 with taxable income up to \$15,418, 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 \$16,343 until the reduction is eliminated, resulting in an additional 16% of provincial tax on income between \$16,343 and \$19,918.

Federal and provincial personal tax credits – 2011

	Federal credit	Provincial credit
Amount of credits:		
Basic personal credit (see note 2 above)	\$ 1,579	\$ 615
Spousal credit (reduced when spouse's income over \$0 (federal) and \$653 (provincial))	1,579	503
Equivalent-to-spouse credit (reduced when dependant's income over \$0 (federal) and \$653 (provincial))	1,579	503
Infirm dependant aged 18 or over (reduced when dependant's income over \$6,076 (federal) and \$5,452 (provincial))	642	195
Caregiver credit (reduced when particular person's income exceeds \$14,624 (federal) and \$12,399 (provincial))	642	195
Age credit (65 and over) ¹	981	393
Disability credit	1,101	415
Pension income (maximum)	300	77
Education and textbook - per month	70	15
Canada employment credit	160	-
Child tax credit	320	-
Credits as a percentage of:		
Tuition fees	15.00%	7.70%
Public transit passes	15.00%	-
Medical expenses ²	15.00%	7.70%
Charitable donations		
- First \$200	15.00%	7.70%
- Remainder	29.00%	13.30%
CPP contributions ³	15.00%	7.70%
EI premiums	15.00%	7.70%

- 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 \$393 occurs at \$27,948 of net income and declines to nil as net income rises to \$61,948.
- 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 \$1,740 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.