

Northwest Territories

Combined federal and territorial personal income tax rates – 2011¹

| Taxable income | | Northwest Territories | | | | | |
|----------------|--------------|------------------------|----------------|---------------------------------------|------------------------------------|----------------------------|--|
| 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 12,919 | - | 15.00 | 0.00 | 2.08 | 7.50 | |
| 12,920 | to 37,626 | 359 | 20.90 | 0.00 | 2.08 | 10.45 | |
| 37,627 | to 41,544 | 5,523 | 23.60 | 0.00 | 5.33 | 11.80 | |
| 41,545 | to 75,253 | 6,447 | 30.60 | 7.85 | 14.08 | 15.30 | |
| 75,254 | to 83,088 | 16,762 | 34.20 | 8.83 | 18.58 | 17.10 | |
| 83,089 | to 122,345 | 19,442 | 38.20 | 14.47 | 23.58 | 19.10 | |
| 122,346 | to 128,800 | 34,438 | 40.05 | 17.08 | 25.90 | 20.03 | |
| 128,801 | and up | 37,023 | 43.05 | 21.31 | 29.65 | 21.53 | |

- The tax rates reflect budget proposals 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 territorial 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.

Federal and territorial tax credits – 2011

| | Federal credit | Territorial credit |
|---|----------------|--------------------|
| Amount of credits: | | |
| Basic personal credit (see note 2 above) | \$ 1,579 | \$ 762 |
| Spousal credit (reduced when spouse's income over \$0) | 1,579 | 762 |
| Equivalent-to-spouse credit (reduced when dependant's income over \$0) | 1,579 | 762 |
| Infirm dependant aged 18 or over (reduced when dependant's income over \$6,076) | 642 | 253 |
| Caregiver credit (reduced when particular person's income over \$14,624) | 642 | 253 |
| Age credit (65 and over) ¹ | 981 | 373 |
| Disability credit | 1,101 | 618 |
| Pension income (maximum) | 300 | 59 |
| Education and textbook - per month | 70 | 24 |
| Canada employment credit | 160 | - |
| Child tax credit - per child under 18 | 320 | - |
| Credits as a percentage of: | | |
| Tuition fees | 15.00% | 5.90% |
| Public transit passes | 15.00% | - |
| Medical expenses ² | 15.00% | 5.90% |
| Charitable donations | | |
| - First \$200 | 15.00% | 5.90% |
| - Remainder | 29.00% | 14.05% |
| CPP contributions ³ | 15.00% | 5.90% |
| EI premiums | 15.00% | 5.90% |

1. 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 territorial age credit of \$373 occurs at \$32,961 of net income and declines to nil as net income rises to \$75,088.

2. The credit applies to eligible medical expenses that exceed the lesser of \$2,052 and 3% of net income.

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

Source: Ernst & Young Electronic Publishing Services Inc.