

## Alberta

### Combined federal and provincial personal income tax rates - 2018<sup>1</sup>

Taxable income			Alberta				
Lower limit	to	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	\$ 11,809	\$ -	0.00%	0.00%	0.00%	0.00%
11,810	to	18,915	-	15.00%	0.00%	5.76%	7.50%
18,916	to	46,605	1,066	25.00%	0.00%	14.96%	12.50%
46,606	to	93,208	7,988	30.50%	7.56%	21.34%	15.25%
93,209	to	128,145	22,202	36.00%	15.15%	27.72%	18.00%
128,146	to	144,489	34,780	38.00%	17.91%	30.04%	19.00%
144,490	to	153,773	40,990	41.00%	22.05%	33.52%	20.50%
153,774	to	205,031	44,797	42.00%	23.43%	34.68%	21.00%
205,032	to	205,842	66,325	43.00%	24.81%	35.84%	21.50%
205,843	to	307,547	66,674	47.00%	30.33%	40.48%	23.50%
307,548	and up		114,475	48.00%	31.71%	41.64%	24.00%

1. The tax rates reflect budget proposals and news releases to 15 June 2018. 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.
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.
4. 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.

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

Source: Ernst & Young Electronic Publishing Services Inc.

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### Federal and provincial personal tax credits - 2018<sup>1</sup>

	<u>Federal credit</u>	<u>Provincial credit</u>
<b>Amount of credits:</b>		
Basic personal credit (see note 2 above) <sup>2</sup>	\$ 1,771	\$ 1,892
Spousal credit (reduced when spouse's income over \$0) <sup>2</sup>	1,771	1,892
Equivalent-to-spouse credit (reduced when dependant's income over \$0) <sup>2</sup>	1,771	1,892
Infirm dependant aged 18 or over (reduced when dependant's income over \$7,233 (provincial))	-	1,095
Caregiver credit (reduced when the particular person's income is over \$16,405 (federal) and \$17,409 (provincial))	1,048	1,095
Age credit (65 and over) <sup>3</sup>	1,100	527
Disability credit	1,235	1,459
Pension income (maximum)	300	146
Education - per month	-	74
Canada employment credit	179	-
<b>Credits as a percentage of:</b>		
Tuition fees	15.00%	10.00%
Medical expenses <sup>4</sup>	15.00%	10.00%
Charitable donations		
- First \$200	15.00%	10.00%
- Remainder <sup>5</sup>	29% / 33%	21.00%
CPP contributions <sup>6</sup>	15.00%	10.00%
El premiums	15.00%	10.00%

1. This table lists the most common non-refundable tax credits; other non-refundable and refundable credits may be available.
2. A federal caregiver tax credit of \$327 may be available in respect of a spouse, dependant or child who is dependent on the individual by reason of mental or physical infirmity.
3. The maximum federal age credit of \$1,100 occurs at \$36,976 of net income and declines to nil as net income rises to \$85,863. The maximum provincial age credit of \$527 occurs at \$39,238 and declines to nil as net income rises to \$74,378.
4. The federal credit applies to eligible medical expenses that exceed the lesser of \$2,302 and 3% of net income. The provincial credit applies to eligible medical expenses that exceed the lesser of \$2,444 and 3% of net income.
5. The federal tax credit rate of 33% applies to charitable donations in excess of \$200 to the extent the individual has taxable income in excess of \$205,842; otherwise, a federal tax credit rate of 29% applies.
6. One-half of CPP paid by self-employed individuals is deductible in computing taxable income.