

Newfoundland and Labrador

Combined federal and provincial personal income tax rates - 2017^{1, 5}

| Taxable income | | | Newfoundland and Labrador | | | | |
|----------------|--------|---------------------|---------------------------|----------------|---------------------------------------|------------------------------------|----------------------------|
| Lower limit | to | Upper limit | Basic tax ² | Rate on excess | Marginal rate on | | |
| | | | | | Eligible dividend income ³ | Other dividend income ³ | Capital gains ⁴ |
| \$ - | to | \$ 11,635 | \$ - | 0.00% | 0.00% | 0.00% | 0.00% |
| 11,636 | to | 18,311 | - | 15.00% | 0.00% | 5.24% | 7.50% |
| 18,312 | to | 19,412 | 1,001 | 23.70% | 4.55% | 11.32% | 11.85% |
| 19,413 | to | 24,487 ⁶ | 1,262 | 39.70% | 26.63% | 30.04% | 19.85% |
| 24,488 | to | 35,851 | 3,277 | 23.70% | 4.55% | 11.32% | 11.85% |
| 35,852 | to | 45,916 | 5,970 | 29.50% | 12.56% | 18.11% | 14.75% |
| 45,917 | to | 71,701 | 8,940 | 35.00% | 20.12% | 24.54% | 17.50% |
| 71,702 | to | 91,831 | 17,964 | 36.30% | 21.91% | 26.07% | 18.15% |
| 91,832 | to | 128,010 | 25,271 | 41.80% | 29.50% | 32.50% | 20.90% |
| 128,011 | to | 142,353 | 40,394 | 43.30% | 31.57% | 34.26% | 21.65% |
| 142,354 | to | 179,214 | 46,605 | 46.30% | 35.71% | 37.77% | 23.15% |
| 179,215 | to | 202,800 | 63,671 | 47.30% | 37.09% | 38.94% | 23.65% |
| 202,801 | and up | | 74,828 | 51.30% | 42.61% | 43.62% | 25.65% |

- The tax rates reflect budget proposals and news releases to 30 June 2017. The rates do not include the Newfoundland and Labrador Temporary Deficit Reduction Levy (see note 5 below). 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). 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.
- 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 2017 with taxable income in excess of \$50,000 must pay the Temporary Deficit Reduction Levy. The levy ranges from \$nil to \$1,800 depending on the individual's taxable income, with the maximum levy being payable by individuals with taxable income in excess of \$600,999.
- Individuals resident in Newfoundland and Labrador on 31 December 2017 with taxable income up to \$18,311 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 \$19,412 until the reduction is eliminated, resulting in an additional 16% of provincial tax on income between \$19,413 and \$24,487.

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

Newfoundland and Labrador

Federal and provincial personal tax credits - 2017¹

| | Federal credit | Provincial credit |
|--|---------------------|----------------------|
| Amount of credits: | | |
| Basic personal credit (see note 2 above) ³ | \$ 1,745 | \$ 781 |
| Spousal credit (reduced when spouse's income over \$0 (federal) and \$734 (provincial)) ³ | 1,745 | 638 |
| Equivalent-to-spouse credit (reduced when dependant's income over \$0 (federal) and \$734 (provincial)) ³ | 1,745 | 638 |
| Infirm dependant aged 18 or over (reduced when dependant's income over \$6,127 (provincial)) ² | - | 248 |
| Caregiver credit (reduced when particular person's income exceeds \$16,163 (federal) and \$13,933 (provincial)) ² | 1,032 | 248 |
| Age credit (65 and over) ⁴ | 1,084 | 499 |
| Disability credit | 1,217 | 527 |
| Pension income (maximum) | 300 | 87 |
| Education amount - per month | - | 17 |
| Canada employment credit | 177 | - |
| Credits as a percentage of: | | |
| Tuition fees | 15.00% | 8.70% |
| Public transit passes | 15.00% ⁵ | - |
| Medical expenses ⁶ | 15.00% | 8.70% |
| Charitable donations | | |
| - First \$200 | 15.00% | 8.70% |
| - Remainder ⁷ | 29% / 33% | 18.30% |
| CPP contributions ⁸ | 15.00% | 8.70% |
| EI premiums | 15.00% | 8.70% |

1. This table lists the most common non-refundable tax credits; other non-refundable and refundable credits may be available.
2. Effective for 2017 and subsequent taxation years, the Canada caregiver credit replaces the federal infirm dependant tax credit, the caregiver tax credit and the family caregiver tax credit. The credit is available for an individual who is a caregiver in respect of a related individual who is dependent by reason of an infirmity.
3. A federal caregiver tax credit of \$322 may be available in respect of a spouse, dependant or child who is dependent on the individual by reason of mental or physical infirmity.
4. The maximum federal age credit of \$1,084 occurs at \$36,430 of net income and declines to nil as net income rises to \$84,597. The maximum provincial age credit of \$499 occurs at \$31,405 of net income and declines to nil as net income rises to \$69,612.
5. The public transit tax credit is eliminated effective 1 July 2017.
6. The federal credit applies to eligible medical expenses that exceed the lesser of \$2,268 and 3% of net income. The provincial credit applies to eligible medical expenses that exceed the lesser of \$1,955 and 3% of net income.
7. 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 \$202,800; otherwise, a federal tax credit rate of 29% applies.
8. One-half of CPP paid by self-employed individuals is deductible in computing taxable income.