

Ontario

Combined federal and provincial personal income tax rates - 2018^{1,2,6}

Taxable income		Ontario				
Lower limit	Upper limit	Basic tax ³	Rate on excess	Marginal rate on		
				Eligible dividend income ⁴	Other dividend income ⁴	Capital gains ⁵
\$ -	to \$ 11,809	\$ -	0.00%	0.00%	0.00%	0.00%
11,810	to 15,087	-	15.00%	0.00%	5.76%	7.50%
15,088	to 19,819 ⁷	492	25.10%	0.00%	10.24%	12.55%
19,820	to 42,960	1,680	20.05%	0.00%	8.00%	10.03%
42,961	to 46,605	6,319	24.15%	0.00%	12.76%	12.08%
46,606	to 75,653	7,200	29.65%	7.56%	19.14%	14.83%
75,654	to 85,923	15,812	31.48%	8.92%	21.26%	15.74%
85,924	to 89,133	19,045	33.89%	12.24%	24.06%	16.95%
89,134	to 93,208	20,133	37.91%	17.79%	28.72%	18.95%
93,209	to 144,489	21,678	43.41%	25.38%	35.10%	21.70%
144,490	to 150,000	43,939	46.41%	29.52%	38.58%	23.20%
150,001	to 205,842	46,496	47.97%	31.67%	40.39%	23.98%
205,843	to 220,000	73,284	51.97%	37.19%	45.03%	25.98%
220,001	and up	80,642	53.53%	39.34%	46.84%	26.76%

- The tax rates include the provincial surtaxes and reflect budget proposals and news releases up to 15 June 2018. In Ontario's 2018-19 budget, tabled on 28 March 2018, the previous government proposed to eliminate the surtax and make consequential adjustments to personal income tax rates and brackets, effective 1 January 2018. It is our understanding that the new government will not proceed with these proposals and, as such, these budget proposals are not reflected in the rates for Ontario.
- The rates do not include the Ontario Health Premium (see note 6 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. Effective for 2017 and subsequent taxation years, the Ontario tax reduction is pro-rated if the individual is a multijurisdictional filer.
- 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. Where applicable, the provincial surtax has been applied prior to deducting the dividend tax credit.
- The rates apply to the actual amount of the capital gain. The capital gains exemption on qualified farm or fishing property and small business corporation shares may apply to eliminate the tax on those specific properties.
- Individuals resident in Ontario on 31 December 2018 with taxable income in excess of \$20,000 must pay the Ontario Health Premium. The premium ranges from \$nil to \$900 depending on the individual's taxable income, with the top premium being payable by individuals with taxable income in excess of \$200,599.
- Individuals resident in Ontario on 31 December 2018 with taxable income up to \$15,087 pay no provincial income tax as a result of a low-income tax reduction. The low-income tax reduction (\$239 of Ontario tax) is clawed back for income in excess of \$15,087 until the reduction is eliminated, resulting in an additional 5.05% of provincial tax on income between \$15,088 and \$19,819.

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

Source: Ernst & Young Electronic Publishing Services Inc.

Ontario

Federal and provincial personal tax credits - 2018¹

	Federal credit	Provincial credit ²
Amount of credits:		
Basic personal credit (see note 3 above) ³	\$ 1,771	\$ 816
Spousal credit (reduced when spouse's income over \$0 (federal) and \$879 (provincial)) ³	1,771	693
Equivalent-to-spouse credit (reduced when dependant's income over \$0 (federal) and \$879 (provincial)) ³	1,771	693
Caregiver credit (reduced when particular person's income over \$16,405 (federal) and \$16,696 (provincial))	1,048	385
Age credit (65 and over) ⁴	1,100	255
Disability credit	1,235	659
Pension income (maximum)	300	113
Canada employment credit	179	-
Credits as a percentage of:		
Tuition fees	15.00%	-
Medical expenses ⁵	15.00%	7.88%
Charitable donations		
- First \$200	15.00%	7.88%
- Remainder ⁶	29% / 33%	17.41%
CPP contributions ⁷	15.00%	7.88%
EI premiums	15.00%	7.88%

1. This table lists the most common non-refundable tax credits; other non-refundable and refundable credits may be available.
2. The tax value of each provincial tax credit includes the reduction in provincial surtax as it would apply to taxpayers in the highest tax bracket (except for the age credit).
3. 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.
4. 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 \$255 occurs at \$37,635 of net income and declines to nil as net income rises to \$71,335.
5. The 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 \$2,343 and 3% of net income.
6. 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.
7. One-half of CPP paid by self-employed individuals is deductible in computing taxable income.