

2009 AUTOMOBILE DEDUCTION LIMITS

Effective January 1, 2009, the following limits apply:

Ceiling on capital cost of passenger vehicles remains at \$30,000, plus applicable taxes.

Ceiling on deductible leasing costs will remain at \$800, plus applicable taxes.

The limit on tax-exempt kilometer allowances is \$0.52 for the first 5,000 kilometers driven and \$0.46 for each additional kilometer. The limit on allowable interest deduction for amounts borrowed to purchase an automobile will remain at \$300 per month.

2008 / 2007 AVERAGE EXCHANGE RATES

COUNTRY	CURRENCY	2008	2007
United States	Dollar	1.0660	1.0748
European Union	Euro	1.5603	1.4691
United Kingdom	Pound Sterling	1.9616	2.1486
Japan	Yen	0.0104	0.0091

2009 / 2008 PAYROLL DEDUCTIONS

		2009	2008
CPP	Max Pensionable Earnings	\$ 46,300.00	\$ 44,900.00
	Basic Annual Exemption	\$ 3,500.00	\$ 3,500.00
	Contribution Rate	4.95%	4.95%
	Max Employee Contribution	\$ 2,118.60	\$ 2,049.30
EI	Max Annual Insurance Earnings	\$ 42,300.00	\$ 41,100.00
	Premium Rate	1.73%	1.73%
	Max Employee Annual Premium	\$ 731.79	\$ 711.03

CORPORATE TAX RATES

Combined Federal and BC Rates for the year ended:	ACTIVE INCOME UP TO \$400,000	NO SMALL BUSINESS DEDUCTION INCOME	NON-ACTIVE INVESTMENT INCOME
	December 31, 2008....	14.91	31.00
January 31, 2009.....	14.74	30.87	46.08
February 28, 2009.....	14.59	30.75	46.00
March 31, 2009.....	14.42	30.63	45.92
April 30, 2009.....	14.25	30.50	45.83
May 31, 2009.....	14.08	30.38	45.75
June 30, 2009.....	13.92	30.25	45.67
July 31, 2009.....	13.83	30.21	45.67
August 31, 2009.....	13.75	30.17	45.67
September 30, 2009...	13.67	30.13	45.67
October 31, 2009.....	13.58	30.08	45.67
November 30, 2009....	13.50	30.04	45.67
December 31, 2009....	13.50	30.00	45.67

PRESCRIBED INTEREST RATES

	RECEIVER GENERAL PAYMENTS		ALL OTHER PURPOSES
	TO	FROM	
2007 - Q3	9%	7%	5%
	9%	7%	5%
2008 - Q1	8%	6%	4%
	8%	6%	4%
	7%	5%	3%
	7%	5%	3%
2009 - Q1	6%	4%	2%

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Certified General Accountants

QUICK TAX
2009

**2008 FEDERAL AND BRITISH COLUMBIA
PERSONAL TAX CREDITS**

	FEDERAL AMOUNT	TOTAL Fed/BC CREDIT
Amount of credits:		
Basic personal credit (\$9,189 BC)	\$9,600	\$1,905
Age amount (Born 1943 or earlier; 65 and over)	1 5,276	1,000
Spousal/Partner and eligible dependants credit	2 9,600	1,838
Infirm dependants aged 18 or older	2 4,095	818
Caregiver credit	2 4,095	818
Amount for Children born 1991 or later - per child	3 2,038	306
Canada Employment amount (maximum)	4 1,019	153
Pension income (maximum) (BC Max = \$1,000)	4 2,000	351
Disability credit	7,021	1,402
Education – Full time - per month	5	80
Education – Part time - per month	5	24
Credits as a percentage of:		
CPP contributions	6	20.06%
EI premiums	7	20.06%
Public transit passes (Federal credit only)	8	15.00%
Children's fitness amount (Federal credit only)	9	15.00%
Adoption expenses	10	20.06%
Tuition, education, textbook and student loans	5.11	20.06%
Medical expenses (in excess of 3% Net Income)	12	20.06%
Charitable donations - first \$200	13	20.06%
–remainder		43.70%

- The Age Credit begins to reduce when the taxpayers net income reaches \$31,524 / 30,674 and is fully reduced at \$66,697 / 58,147.
- The value of these tax credits is reduced whenever the dependant's income exceeds specific threshold amounts; the thresholds are \$0 / 787 for Spouse or Common-Law Partner; \$5,811 / 6,405 for Infirm Dependant; and \$13,986 / 13,608 for Caregiver Credit.
- Federal credit available for children under 18 (Born 1991 or later).
- Credits are lesser of qualifying income amounts and Federal maximums.
- In addition to tuition fees, a Full time student may also claim \$465 / \$200 per month enrolled; a Part-time student may claim \$140 / \$60 per month.
- Canada Pension Plan contribution is 4.95% of pensionable earnings. Basic exemption of \$3,500; Maximum CPP pensionable earnings are \$44,900.
- EI contribution rate is 1.73%. Maximum insurable earnings are \$41,100.
- You may be able to claim weekly, monthly or annual transit passes which permit unlimited travel within Canada for you, your spouse or your children.
- You may claim up to a maximum of \$500 per child, fees paid during 2008 for children up to 16 years old in a specified program requiring physical activity.
- You may claim a credit for eligible adoption expenses related to the adoption of a child who is under the age of 18 up to a maximum of \$10,643.
- Tuition fees and educational credits are both transferable to a spouse, parent or grandparent. The maximum amount transferable is \$ 5,000 less the student's net income over \$ 9,600 / \$9,189. Unused amounts are available for carryforward by the student.
- Medical Expense Amount is equal to qualifying medical expenses in excess of 3% of net income or \$1,962 Federal, \$1,911 BC, whichever is greater.
- Charitable Donations may not exceed 75% of net income except in the event of death (100%). Excess amounts may be carried forward.
- The following amounts may be transferred from a spouse, to the extent that they are not needed to reduce his or her federal income tax to zero: age amount, pension amount, disability amount, amount for eligible children, tuition fees and education amount.
- OAS clawback begins at \$64,718 and is fully recovered at \$105,266.
- Working Income Tax Benefit (WITB) For Singles: income between \$4,750 and \$14,385; Max benefit (\$800) at \$9,500. For Family: income between \$4,750 and \$21,609; Max benefit (\$1,422) at \$13,200.

Split numbers represent Federal / BC amounts



QUICK TAX

INDIVIDUAL MARGINAL RATES - 2008

TAXABLE INCOME	Dividends		
	Income	Eligible	Regular
\$ 9,190 - \$ 16,946	15.00%	0.00%	0.00%
\$ 16,947 - \$ 35,016	20.06%	0.00%	2.03%
\$ 35,017 - \$ 37,885	22.70%	0.00%	5.33%
\$ 37,886 - \$ 70,033	29.70%	0.00%	14.08%
\$ 70,034 - \$ 75,769	32.50%	2.23%	17.58%
\$ 75,770 - \$ 80,406	36.50%	8.03%	22.58%
\$ 80,407 - \$ 97,636	38.29%	10.62%	24.82%
\$ 97,637 - \$ 123,184	40.70%	14.12%	27.83%
\$ 123,185 AND OVER	43.70%	18.47%	31.58%

2008 FEDERAL / BRITISH COLUMBIA INCOME TAX

TAXABLE INCOME	TOTAL TAX	TAXABLE INCOME	TOTAL TAX	TAXABLE INCOME	TOTAL TAX
10,000	-	47,000	7,772	86,000	20,310
11,000	-	48,000	8,069	88,000	21,076
12,000	113	49,000	8,366	90,000	21,842
13,000	253	50,000	8,663	92,000	22,607
14,000	393	51,000	8,960	94,000	23,373
15,000	533	52,000	9,257	96,000	24,139
16,000	673	53,000	9,554	98,000	24,914
17,000	813	54,000	9,851	100,000	25,728
18,000	999	55,000	10,148	110,000	29,798
19,000	1,218	56,000	10,445	120,000	33,868
20,000	1,438	57,000	10,742	130,000	38,143
21,000	1,657	58,000	11,039	140,000	42,513
22,000	1,876	59,000	11,336	150,000	46,883
23,000	2,095	60,000	11,633	160,000	51,253
24,000	2,314	61,000	11,930	170,000	55,623
25,000	2,534	62,000	12,227	180,000	59,993
26,000	2,753	63,000	12,524	190,000	64,363
27,000	2,972	64,000	12,821	200,000	68,733
28,000	3,191	65,000	13,118	210,000	73,103
29,000	3,406	66,000	13,415	220,000	77,473
30,000	3,593	67,000	13,712	230,000	81,843
31,000	3,780	68,000	14,009	250,000	90,583
32,000	3,967	69,000	14,306	300,000	112,433
33,000	4,155	70,000	14,603	350,000	134,283
34,000	4,342	71,000	14,926	400,000	156,133
35,000	4,529	72,000	15,251	450,000	177,983
36,000	4,742	73,000	15,576	500,000	199,833
37,000	4,956	74,000	15,901	550,000	221,683
38,000	5,178	75,000	16,226	600,000	243,533
39,000	5,461	76,000	16,560	650,000	265,383
40,000	5,745	77,000	16,925	700,000	287,233
41,000	6,029	78,000	17,290	750,000	309,083
42,000	6,315	79,000	17,655	800,000	330,933
43,000	6,602	80,000	18,020	850,000	352,783
44,000	6,889	81,000	18,396	900,000	374,633
45,000	7,178	82,000	18,778	950,000	396,483
46,000	7,475	84,000	19,544	1,000,000	418,333

** Tax computations above reflect basic employment income with claims for the basic personal amount, applicable CPP & EI credits and also the \$1,019 Federal Employment Tax Credit. Other deductions and credits will reduce income taxes at the appropriate rates.

MAJOR CHANGES IN 2008 / 2009

Tax Free Savings Accounts available beginning Jan. 2, 2009.

Penalty for late remittance of income tax source deductions due on or after February 26, 2008 will range from 3% to 10%.

On July 1, 2008, the Guaranteed Income Supplement earnings exemption for seniors was increased from \$500 to \$3,500.

BC Small Business Corporate Tax Rate dropped from 4.5% to 3.5% for taxable income earned after July 1, 2008 and further decreases to 2.5% for income earned after December 1, 2008.

The commission eligible for vendors and operators on Social Service Tax or Hotel Room Tax has doubled from 3.3% to 6.6% beginning Nov. 1, 2008. Maximum commission is now \$198.00.

In 2009, Home owners can claim a 15% tax credit (Max \$1,350) for eligible home renovations over \$1,000 to a maximum of \$10,000. First time home buyers may also claim a 15% tax credit up to \$5,000 (\$750 tax saving).

In 2009, the two lowest Federal tax brackets will increase to \$40,726 and \$81,452 respectively.

In 2009, the First Time Home Buyers RRSP withdrawal amount maximum of \$20,000 is being increased to \$25,000.

In 2009, the Federal Small Business Deduction (SBD) limit is being increased to \$500,000.

PLANNING AND FILING DEADLINES IN 2009

March 2: Last day to issue T4's, T4A's and T5's.

March 2: Last day to make personal and spousal RRSP contributions applicable to the 2008 taxation year.

March 15, June 15, September 15 & December 15: Quarterly installments for taxpayers who are required to remit quarterly.

April 30: File Personal Income Tax Returns for 2008 and remit balance due, if any, to CRA.

June 15: Due date for Personal Tax Returns of individuals with self-employed business income, or spouses/common-law partners with self-employed business income. (Payment of tax balance still due by April 30).

December 31: Of the year the taxpayer turns 71, is the final date to make RRSP contributions. It is also the deadline for such individuals to convert their RRSP's into either RRIF's or life annuities.

The information in this booklet is general in nature; it discusses tax rates and planning in a broad sense. Accordingly, it should not be used in the context of a unique set of facts. Consult your local office of EPR in order to ensure you receive the appropriate advice as it relates to your individual circumstances.