

# Tax Facts

2016 & 2017  
As at December 31, 2016

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**Table of Federal and Ontario non-refundable tax credit rates and amounts for 2016**

	Federal	Ontario
Tax rate applied to credits	15.00%	5.05%
Basic personal	11,474	10,011
Spousal/partner and wholly dependent person	11,474	8,500
Net income threshold	-	850
Dependants		
18 and over and infirm	6,788	4,719
Net income threshold	6,807	6,707
Child <i>(replaced with enhanced Universal Child Care Benefit for 2015)</i>	-	-
Adoption	15,453	12,214
Disability	8,001	8,088
Disability supplement	4,667	4,717
Pension	2,000	1,384
Age 65 and over	7,125	4,888
Net income threshold	35,927	36,387
Medical expense threshold	2,237	2,266
Caregiver	4,667	4,719
Net income threshold	15,940	16,143
Employment	1,161	-
Canada Pension Plan (max)	2,544	2,544
Employment Insurance (max)	955	955
Public transit monthly passes	at cost	-
Children's fitness max per child (Ontario amount shared with arts)	500	560
Children's arts max per child (Ontario amount shared with fitness)	250	560
Home buyers	5,000	-
Education and textbook		
Full time - per month	465	539
Part time - per month	140	161
Charitable donations		
Credit rate on first \$200	15.00%	7.88%
Lesser of excess of donations over \$200 and taxable income over \$200,000	33.00%	17.41%
Excess of donations over \$200 not eligible for 33% rate	29.00%	17.41%

RRSP Contribution Limits	
Year	RRSP Limit
2016	\$25,370
2017	\$26,010

TFSA Contribution Limits	
Year	TFSA Limit
2016	\$5,500
2017	\$5,500

Table of combined (Federal and Ontario) personal tax rates for 2016

Taxable income	Combined tax payable*	Average tax rate	Marginal tax rate	Marginal rate on capital gains	Marginal rate on eligible dividends	Marginal rate on non-eligible dividends
10,000	-	0.00%	0.00%	0.00%	0.00%	0.00%
20,000	1,783	8.92%	20.05%	10.03%	0.00%	6.13%
30,000	3,788	12.63%	20.05%	10.03%	0.00%	6.13%
40,000	5,793	14.48%	20.05%	10.03%	0.00%	6.13%
50,000	8,405	16.81%	29.65%	14.83%	7.56%	17.37%
60,000	11,370	18.95%	29.65%	14.83%	7.56%	17.37%
70,000	14,335	20.48%	29.65%	14.83%	7.56%	17.37%
80,000	17,426	21.78%	31.48%	15.74%	8.92%	19.51%
90,000	20,894	23.22%	37.91%	18.95%	17.79%	27.03%
100,000	25,203	25.20%	43.41%	21.70%	25.38%	33.46%
110,000	29,544	26.86%	43.41%	21.70%	25.38%	33.46%
120,000	33,885	28.24%	43.41%	21.70%	25.38%	33.46%
130,000	38,226	29.40%	43.41%	21.70%	25.38%	33.46%
140,000	42,567	30.40%	43.41%	21.70%	25.38%	33.46%
150,000	47,196	31.46%	46.41%	23.20%	29.52%	36.97%
200,000	71,181	35.59%	47.97%	23.98%	31.67%	38.80%
250,000	97,634	39.05%	53.53%	26.76%	39.34%	45.30%
300,000	124,399	41.47%	53.53%	26.76%	39.34%	45.30%
400,000	177,929	44.48%	53.53%	26.76%	39.34%	45.30%
500,000	231,458	46.29%	53.53%	26.76%	39.34%	45.30%
750,000	365,282	48.70%	53.53%	26.76%	39.34%	45.30%
1,000,000	499,106	49.91%	53.53%	26.76%	39.34%	45.30%

\*The combined tax payable represents the federal and Ontario income taxes after factoring in the basic personal tax credit. Please contact us for a combined tax calculation involving other provinces.

**Table of corporate tax rates**

<b>CCPC - small business rate</b>	<b>2016 and beyond</b>
Federal	10.50%
British Columbia	2.50%
Alberta	3.00%
Saskatchewan	2.00%
Manitoba	0.00%
Ontario	4.50%
Quebec	8.00%
New Brunswick*	4.00%/3.50%
Nova Scotia	3.00%
Prince Edward Island	4.50%
Newfoundland	3.00%

\*The rate was reduced to 3.5% on April 1, 2016, calendar year-end rate is 3.62%.

<b>CCPC - general active business rate</b>	<b>2016 and beyond</b>
Federal	15.00%
British Columbia	11.00%
Alberta	12.00%
Saskatchewan	12.00%
Manitoba	12.00%
Ontario	11.50%
Quebec	11.90%**
New Brunswick*	12.00%/14.00%
Nova Scotia	16.00%
Prince Edward Island	16.00%
Newfoundland	15.00%

\*The rate was increased to 14% on April 1, 2016, calendar year-end rate is 13.50%.

\*\* Quebec will gradually reduce the general corporate income tax rate from 11.9% to 11.5% beginning in 2017. The rate will decrease to 11.8% in 2017, 11.7% in 2018, 11.6% in 2019 and 11.5% in 2020. The rate reductions are effective January 1 of each year from 2017 to 2020

CCPC - Manufacturing and processing rate	2016 and beyond
Federal	15.00%
British Columbia	11.00%
Alberta	12.00%
Saskatchewan	10.00%
Manitoba	12.00%
Ontario	10.00%
Quebec **	11.90%
New Brunswick*	12.00%/14.00%
Nova Scotia	16.00%
Prince Edward Island	16.00%
Newfoundland	15.00%

\*The rate was increased to 14% on April 1, 2016, calendar year-end rate is 13.50%.

CCPC Investment income rate	2016 and beyond
Federal	38.67%
British Columbia	11.00%
Alberta	12.00%
Saskatchewan	12.00%
Manitoba	12.00%
Ontario	11.50%
Quebec **	11.90%
New Brunswick*	12.00%/14.00%
Nova Scotia	16.00%
Prince Edward Island	16.00%
Newfoundland	15.00%

\*The rate was increased to 14% on April 1, 2016, calendar year-end rate is 13.50%.

\*\* Quebec will gradually reduce the M&P income tax rate from 11.9% to 11.5% beginning in 2017. The rate will decrease to 11.8% in 2017, 11.7% in 2018, 11.6% in 2019 and 11.5% in 2020. The rate reductions are effective January 1 of each year from 2017 to 2020

General corporate income rate	2016 and beyond
Federal	15.00%
British Columbia	11.00%
Alberta	12.00%
Saskatchewan	12.00%
Manitoba	12.00%
Ontario	11.50%
Quebec **	11.90%
New Brunswick	12.00%/14.00%
Nova Scotia	16.00%
Prince Edward Island	16.00%
Newfoundland	15.00%

\*\* Quebec will gradually reduce the M&P income tax rate from 11.9% to 11.5% beginning in 2017. The rate will decrease to 11.8% in 2017, 11.7% in 2018, 11.6% in 2019 and 11.5% in 2020. The rate reductions are effective January 1 of each year from 2017 to 2020

General Manufacturing and processing rate	2016 and beyond
<b>Federal</b>	15.00%
<b>British Columbia</b>	11.00%
<b>Alberta</b>	12.00%
<b>Saskatchewan</b>	10.00%
<b>Manitoba</b>	12.00%
<b>Ontario</b>	10.00%
<b>Quebec**</b>	11.90%
<b>New Brunswick</b>	12.00%/14.00%
<b>Nova Scotia</b>	16.00%
<b>Prince Edward Island</b>	16.00%
<b>Newfoundland</b>	15.00%

\*\* Quebec will gradually reduce the M&P income tax rate from 11.9% to 11.5% beginning in 2017. The rate will decrease to 11.8% in 2017, 11.7% in 2018, 11.6% in 2019 and 11.5% in 2020. The rate reductions are effective January 1 of each year from 2017 to 2020

## Other Tax Matters

Following is a list of additional taxes levied by Canadian government:

Tax	Rate	Details
Goods and Services Tax ("GST")	5.00%	GST is a federal valued-added tax charged on most goods and services. There are exempt and zero-rated items to which GST does not apply.
Provincial Sales Tax ("PST")	5.00-9.975%	PST is a provincial tax which is levied at different rates by the provinces.
Harmonized Sales Tax ("HST")	13.00-15.00%	HST is a federally administered value-added tax which includes the provincial portion of sales tax. HST is in effect in Nova Scotia, New Brunswick, Newfoundland, Prince Edward Island and Ontario. QST is applicable in Quebec.
Canada Pension Plan contributions ("CPP")	4.95%	CPP is a payroll tax which is levied on employment and self-employment earnings of a sole proprietor. The first \$3,500 of earnings is exempt from CPP. Maximum employer and employee CPP contribution for 2017 is \$2,564.10 respectively.
Employment Insurance contributions ("EI")	1.63%	EI is a payroll tax which is levied on employment earnings. The employer contributes 1.4x the contribution made by the employee. Maximum employee and employer contributions for 2017 are \$836.19 and \$1,170.67 respectively.
Employer Health Tax ("EHT")	1.95%	Employers in Ontario have to pay the EHT if their annual gross payroll expense is in excess of \$450,000. EHT is calculated by multiplying the EHT rate by the amount of annual gross payroll in excess of \$400,000. Effective January 1, 2014, this threshold has been eliminated entirely for private sector employers with annual Ontario payrolls over \$5 Million.
Ontario Health Premium ("OHP")	tiered	Ontario levies OHP based on taxable income of individuals for a taxation year. No OHP is payable if an individual's taxable income is \$20,000 or less. The maximum OHP payable is \$900.

**Automobile Standby charge and operating expense benefit**

Where an employer makes an automobile available to an employee, a taxable benefit is deemed to have been received by the employee.

**Standby charge**

In general, the basic taxable benefit (standby charge) equals 2% per month of the original cost of an automobile, or 2/3 of the lease costs. The benefit is reduced if the automobile is primarily used in performing employment duties and the employee's personal use of the automobile is less than 20,004 kilometers per year.

**Operating expense benefit**

The operating expense benefit represents operating expenses paid by the employer in respect of the employee's personal use of the automobile. The employer may determine the amount of this benefit using a prescribed rate of 26 cents per kilometre travelled for personal use in 2016 (25 cents per kilometer in 2017).

However, eligible employees may elect to calculate the operating expense benefit as 50% of the standby charge.



**Major tax penalties and offences**

<b>Violation</b>	<b>Penalty</b>
Failure to file return	First occurrence - 5% of unpaid tax plus 1% per full month the return is not filed (max. 12 months)  Second occurrence 10% plus 2% per complete month while failure continues (not exceeding 20 months) of unpaid tax
Failure to file or to comply with certain provisions of the <i>Income Tax Act</i>	On summary conviction, fine between \$1,000 and \$25,000, or both the fine and imprisonment for a term not exceeding 12 months
Failure to file certain information returns	Greater of \$100 and \$25 per day, to a maximum of 100 days
Failure to file foreign-based information returns	Up to 24 months - \$500 per month less any penalty imposed for failure to file an information return  Over 24 months – an additional penalty equal to 5% of certain property amounts less any penalty imposed or failure to file an information return
Failure to provide information on prescribed forms	\$100 for every occurrence (including failure to disclose Social Insurance Number)
Failure to file in a proper manner	\$25 for each failure for an individual, \$100 for each failure made by a corporation
Failure to report income of at least \$500 in the current year and in any three preceding years	Lesser of 10% of the unreported amount, and 50% of the tax on the unreported amount less the tax withheld on the income
False statements or omissions committed knowingly or amounting to gross negligence	50% of additional tax arising from those false statements or omissions (min. \$100)
Late or deficient instalment payments	50% of the actual instalment interest charges for the year in excess of \$1,000, or 25% of instalment interest computed as if no instalments had been made, whichever is greater
Failure to deduct or withhold tax	First occurrence – 10% of amount not deducted or withheld  Second occurrence – 20% of amount not deducted or withheld
False or deceptive statements to obtain a tax shelter identification number or sale of tax shelter before the issuance of that number	25% of the consideration received for the tax shelter (min. \$500)
Failure to file NR4, T4, T4A, T4E, T5 or T5018 information slips	5 slips or less - \$100 flat penalty  6 – 10 slips - \$5 per day of failure (min. \$100, max. \$500)

	<p>11 – 50 slips - \$10 per day of failure (min. \$100, max. \$1,000)</p> <p>51 – 500 slips - \$15 per day of failure (min. \$100, max. \$1,500)</p> <p>501 – 2,500 slips - \$25 per day of failure (min. \$100, max. \$2,500)</p> <p>2,501 – 10,000 slips - \$50 per day of failure (min. \$100, max. \$5,000)</p> <p>10,001 or more slips - \$75 per day of failure (min. \$100, max. \$7,500)</p>
Failure to file information slips (other than NR4, T4, T4A, T4E, T5, T5013 and T5018)	<p>50 slips or less - \$10 per day of failure (min. \$100, max. \$1,000)</p> <p>51 – 500 slips - \$15 per day of failure (min. \$100, max. \$1,500)</p> <p>501 – 2,500 slips - \$25 per day of failure (min. \$100, max. \$2,500)</p> <p>2,501 – 10,000 slips - \$50 per day of failure (min. \$100, max. \$5,000)</p> <p>10,001 or more slips - \$75 per day of failure (min. \$100, max. \$7,500)</p>
Failure to file T5013 partnership information return	\$25 per day of failure (min. \$100, max. \$2,500) for each mandatory form of the return, including each of the slips

### Retention period of books

Documents	Federal retention period
Records of minutes of directors' and shareholders' meetings, share registers, general ledger, special contracts	Two years after the day the corporation is dissolved; six years after the non-corporate business's last year-end
Other registers, books of accounts and supporting documents	Six years after the end of the taxation year to which they relate

**Deadlines**

Item	Federal due date
Filing the return of a corporation	Six months after the end of the taxation year
Filing the return of a trust or an estate	Ninety days after the end of the taxation year
Objection to a notice of assessment by an individual other than a trust or a testamentary trust	The latest of the following dates: <ul style="list-style-type: none"> <li>- One year after the filing-due date of the taxpayer's income tax return;</li> <li>- Ninety days after the date of notice of assessment</li> </ul>
Objection to a notice of assessment by any other person/entity	Ninety days after the date of the notice of assessment

## 2017 important tax dates

- Feb 15 Last day to reimburse employer for personal car expenses to reduce operating benefit on employer provided automobile
- Feb 28 Deadline for filing T4, T4A and T5 tax slips
- Mar 1 Final day for making RRSP contributions for the 2016 tax year  
Final day for Home Buyers' Plan or Lifelong Learning Plan repayments
- Mar 15 First instalment due for taxpayers required to remit quarterly
- Mar 31 Deadline for paying any 2016 penalty tax owing on excess RRSP contributions  
Deadline for filing tax returns for trusts with a December 31, 2016 year-end  
Deadline for filing a T5013 information return for partnerships with non-corporate members  
Deadline to file NR4 returns relating to amounts paid or credited to non-residents
- Apr 30 Deadline for filing 2016 personal tax return if you have no self-employment income  
Balance due date for 2016 taxes owing
- May 31 Deadline for filing a T5013 information return for partnerships with all corporate members and a December 31 fiscal period end
- Jun 15 Second instalment due for taxpayers required to remit quarterly  
Deadline for filing 2016 personal tax return for self-employed taxpayers and their spouses (but any balance owing is subject to interest if not paid by April 30)
- Jun 30 Deadline for paying any 2016 penalty tax owing on excess TFSA contribution
- Sep 15 Third instalment due for taxpayers required to remit quarterly
- Dec 15 Fourth instalment due for taxpayers required to remit quarterly

**CRA prescribed interest rates**

<b>Period</b>	<b>Overdue taxes</b>	<b>Refunds</b>	<b>Taxable benefits</b>
January to March 2013	5%	1%/3%	1%
April to June 2013	5%	1%/3%	1%
July to September 2013	5%	1%/3%	1%
October to December 2013	6%	2%/4%	2%
January to March 2014	5%	1%/3%	1%
April to June 2014	5%	1%/3%	1%
July to September 2014	5%	1%/3%	1%
October to December 2014	5%	1%/3%	1%
January to March 2015	5%	1%/3%	1%
April to June 2015	5%	1%/3%	1%
July to September 2015	5%	1%/3%	1%
October to December 2015	5%	1%/3%	1%
January to March 2016	5%	1%/3%	1%
April to June 2016	5%	1%/3%	1%
July to September 2016	5%	1%/3%	1%
October to December 2016	5%	1%/3%	1%

**Contact Us**

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