

Get proactive, professional accounting, business and tax advice to help you make the right decisions at the right time.

Our Professional Services Include:

Accounting & Assurance

- ✦ Compilation of Financial Statements
- ✦ Review of Financial Statements
- ✦ Auditing

Taxation

- ✦ Corporate Tax
- ✦ Tax Compliance
- ✦ Tax Planning
- ✦ International Tax
- ✦ Sales Tax
- ✦ Strategic Tax Structuring

Business Advisory

- ✦ Estate Planning & Compliance
- ✦ Succession Planning
- ✦ Business Improvement
- ✦ Business Diagnostic
- ✦ Strategic Planning
- ✦ Business Improvement Initiatives
- ✦ Analytics & Reporting Solutions
- ✦ Technology Advisory
- ✦ Profitable Modeling
- ✦ Pre-Acquisition Preparation
- ✦ Post-Acquisition Integration
- ✦ Transaction Advisory
- ✦ Divestitures
- ✦ Acquisitions
- ✦ Merger & Joint Ventures
- ✦ Investment Structuring
- ✦ Other Transactions

**QUICK TAX FACTS
2019**

2018 FEDERAL AND BRITISH COLUMBIA PERSONAL TAX CREDITS

Amount of credits:	NOTES	FEDERAL	BC
Tax rate applied to credits		15.00%	5.06%
Basic personal		\$11,809	\$10,412
Spousal/partner and wholly dependent	1	11,809	8,915
Caregiver Dependants 18 and over and infirm	1	6,986	4,556
Adoption	2	15,905	15,905
Disability		8,235	7,809
Disability supplement	3	4,804	4,556
Pension (max)		2,000	1,000
Age 65 and over	4	7,333	4,669
Medical expense threshold	5	2,302	2,164
Employment	6	1,195	—
Canada Pension Plan contributions (max)		2,594	2,594
Employment Insurance premiums (max)		858	858
Children's fitness (max) and arts	7	—	—
Home buyers (max)	8	5,000	—
Home accessibility (max)	9	10,000	1,000
Tuition fees	10	Yes	Yes
Education (Full-time/Part-time — per month)	11	—	200/60
Charitable donations (Credit rate on first \$200)		15.00%	5.06%
Charitable donations (Credit rate on balance)		33.00%	16.80%

1. The value of these tax credits is reduced whenever the dependant's income exceeds specific threshold amounts; the thresholds are (Federal/BC) \$0 / \$892 for Spouse or Common-Law Partner and \$16,405 / \$15,419 for Canada and BC Caregiver Credit.

2. The adoption credit is available on eligible adoption expenses incurred in the year and not reimbursed to the taxpayer, up to the maximum amount indicated in the table.

3. The disability supplement may be claimed by an individual who is under the age of 18 at the end of the year. The amount in the table represents the maximum amount that may be claimed, and is reduced by certain child and attendant care expenses claimed in respect of this individual.

4. The Age credit begins to reduce when the taxpayer's net income reaches \$36,976 / \$34,757 and is fully reduced at \$85,863 / \$65,884.

5. The medical expense credit is calculated based on qualified medical expenses exceeding 3% of net income or the threshold shown in the table, whichever is less. Medical expenses incurred by both spouses/partners and by their children under age 18 may be totalled and claimed by either spouse/partner. Taxpayers can also claim medical expenses for other eligible dependants to the extent the amount exceeds the lesser of 3% of net income of the dependant or the threshold shown in the table.

6. The federal employment credit may be claimed by individuals based on the lesser of the amount indicated in the table and the amount of employment income earned in the year.

7. The BC government eliminate the fitness and arts credit effective January 1, 2018. For 2017, the eligible amount is \$500 per child.
8. First-time home buyers who acquire a qualifying home during the year may be entitled to claim a federal non-refundable tax credit up to \$5,000 and worth up to \$750 (\$5,000 × 15%).To qualify, neither the individual nor his or her spouse or common-law partner can have owned and lived in another home in the calendar year of the new home purchase or in any of the four preceding calendar years. The credit can be claimed by either the purchaser or by his or her spouse or common-law partner.The credit will also be available for certain home purchases by or for the benefit of an individual eligible for the disability tax credit.

9. The home accessibility tax credit provides a credit for qualifying expenses incurred for work performed or goods acquired in respect of a qualifying renovation of an eligible dwelling of someone who is 65 years or older before the end of the taxation year or eligible for the disability tax credit. British Columbia provides a refundable credit of up to \$1,000 for similar expenses.

10. The eligible portion of the tuition and education tax credits are transferable to a spouse or common-law partner, parent or grandparent. Any amounts not transferred may be carried forward indefinitely by the student.

11. The federal government eliminated the education tax credits effective January 1, 2017. British Columbia's 2018 budget proposed to eliminate the province's education tax credits effective January 1, 2019.

OAS claw back begins at \$75,910 and is fully recovered at \$122,843.

INDIVIDUAL MARGINAL RATES - 2018

Taxable Income	Income	Eligible Dividends	Regular Dividends
First \$39,676	20.06%	0.00%	9.23%
\$39,676 - \$46,605	22.70%	0.00%	12.30%
\$46,605 - \$79,353	28.20%	4.39%	18.68%
\$79,353 - \$91,107	31.00%	8.25%	21.93%
\$91,107 - \$93,208	32.79%	10.72%	24.00%
\$93,208 - \$110,630	38.29%	18.31%	30.38%
\$110,630 - \$144,489	40.70%	21.64%	33.18%
\$144,489 - \$150,000	43.70%	25.78%	36.66%
\$150,000 - \$205,842	45.80%	28.68%	39.09%
Over \$205,842	49.80%	34.20%	43.73%

2018 TAXABLE INCOME WITH BASIC EXEMPTION

Taxable Income	Total Tax	Taxable Income	Total Tax	Taxable Income	Total Tax
10,000	—	34,000	3,927	80,000	15,797
11,000	—	36,000	4,302	82,500	16,572
12,000	—	38,000	4,676	85,000	17,347
13,000	—	40,000	5,059	90,000	18,897
14,000	37	42,000	5,487	95,000	20,616
15,000	177	44,000	5,914	100,000	22,530
16,000	317	46,000	6,342	105,000	24,445
17,000	457	48,000	6,846	110,000	26,359
18,000	597	50,000	7,384	115,000	28,379
19,000	737	52,000	7,922	120,000	30,414
20,000	877	54,000	8,466	125,000	32,449
21,000	1,083	56,000	9,011	130,000	34,484
22,000	1,306	58,000	9,575	140,000	38,554
23,000	1,529	60,000	10,139	150,000	42,789
24,000	1,752	62,000	10,703	175,000	54,239
25,000	1,975	64,000	11,267	200,000	65,689
26,000	2,198	66,000	11,831	225,000	77,906
27,000	2,421	68,000	12,359	250,000	90,356
28,000	2,644	70,000	12,959	300,000	115,256
29,000	2,867	72,500	13,664	500,000	214,856
30,000	3,089	75,000	14,369	750,000	339,356
32,000	3,535	77,500	15,074	1,000,000	463,856

*Tax computations reflect general employment income with applicable credits for basic personal exemption, Canada employment amount, CPP and EI credits. Other credits may apply.

GOODS & SERVICES / HARMONIZED SALES TAX RATES

15%	HST in Nova Scotia, New Brunswick, Prince Edward Island, and Newfoundland & Labrador (effective Oct 1/16)
13%	HST in Ontario
5%	5% GST in BC and all other provinces and the territories

DIVIDEND INCOME WITH DIVIDEND TAX CREDIT

Actual Dividend	Regular Dividend	Eligible Dividend	Actual Dividend	Regular Dividend	Eligible Dividend
20,000	—	—	100,000	15,620	7,746
30,000	514	—	125,000	23,929	11,688
40,000	1,572	—	150,000	33,597	18,023
50,000	3,428	—	200,000	54,188	35,121
60,000	5,296	1,575	250,000	76,054	52,219
70,000	7,215	3,262	500,000	185,380	137,711
80,000	9,437	4,757	750,000	294,706	223,203
90,000	12,453	6,252	1,000,000	404,032	308,695

* Tax calculations are based on applicable gross-up amounts and include basic exemption only.

2018 / 2019 MAJOR TAX CHANGES

- As a result of the changes in the corporate tax rates noted below, effective January 1, 2019 the top marginal tax rate for eligible and non-eligible dividends will be 31.44% and 44.63%, respectively.
- The federal government announced it will reduce the small business tax rate from 10% to 9% effective January 1, 2019.
- The federal government implemented restrictions on the ability to income split effective January 1, 2018.
- Effective for taxation years starting after 2018, the ability for a company to receive a dividend refund by paying an eligible dividend is restricted.
- Effective for taxation years starting after 2018, the small business deduction of \$500,000 will be reduced if investment income between \$50,000 and \$150,000 is earned by the company, or an associated company. The small business deduction is reduced to nil if the investment income exceeds \$150,000 for the preceeding taxation year.
- Starting January 1, 2019, companies with a BC annual payroll in excess of \$500,000 will be subject to the Employer's Health Tax.
- The 2018 RRSP contribution limit of \$26,230 is reached with earned income of \$145,722 (2017 \$26,810 and \$144,500).

PRESCRIBED INTEREST RATES

	RECEIVER GENERAL PAYMENTS		ALL OTHER PURPOSES
	Taxes Owning	Tax Refund	
2015 - Q1,Q2,Q3,Q4	5%	3%	1%
2016 - Q1,Q2,Q3,Q4	5%	3%	1%
2017 - Q1,Q2,Q3,Q4	5%	3%	1%
2018 - Q1	5%	3%	1%
2018 - Q2,Q3,Q4	6%	4%	2%

CORPORATE TAX RATES

	COMBINED FEDERAL AND BC TAX RATES FOR THE 2018 AND 2019 YEAR		
	Active business income up to \$500,000	Active business income over \$500,000	Investment Income
2018	12.00%	27.00%	50.70%
2019	11.00%	27.00%	50.70%

BENEFITS / COST OF INCORPORATION

	EFFECTIVE TAX RATES - INCOME EARNED IN CCPC AND FULLY DISTRIBUTED TO INDIVIDUAL					
	ACTIVE BUSINESS INCOME		CAPITAL GAINS		INVESTMENT INCOME	
	< \$500,000	> \$500,000	Eligible Dividends	Non-Eligible Dividends	Eligible Dividends	Non-Eligible Dividends
2018	50.76%	51.97%	23.69%	27.50%	47.38%	55.00%
2019	49.92%	51.97%	23.69%	27.50%	47.38%	55.00%

TAX SAVINGS (COSTS) OF INCORPORATION

2018	(0.96%)	(2.17%)	1.21%	(2.60%)	2.42%	(5.20%)
2019	0.12%	(2.17%)	1.21%	(2.60%)	2.42%	(5.20%)

TAX-DEFERRAL (PRE-PAYMENT) OF INCORPORATION

2018	37.30%	22.80%	0.45%	0.45%	0.90%	0.90%
2019	38.80%	22.80%	0.45%	0.45%	0.90%	0.90%

WITHHOLDING TAX RATES

	Interest Note 1	Dividends Note 2	Royalties Note 3	Pensions/Annuities Note 4
China	10%	10/15%	10%	25%
Hong Kong	0/10%	5/15%	10%	25%
UK	10%	5/15%	0/10%	0/10/25%
USA	0%	5/15%	0/10%	15/25%

Note 1: Canada imposes no domestic withholding tax on certain arm's length interest payments, however non-arm's length payments are subject to a 25% withholding tax.

Note 2: The withholding tax rate varies depending on the percentage ownership of the total issued capital or voting rights in respect of shares owned by the recipient.

Note 3: The withholding tax rate varies depending on the attributes of the payments.

Note 4: The withholding tax rate varies depending on, among other attributes, whether the payment is a lump-sum or periodic payment, or if the payment is a pension or annuity.

The information in this booklet is general in nature; it discusses tax rates and planning matter in a broad sense. Consult your Rise CPA office in order to receive specific advice appropriate to your individual situation.

2017 / 2018 AUTOMOBILE DEDUCTION LIMITS

Effective January 1, 2018, the following passenger vehicle limits apply: Maximum cost for CCA purposes will remain at \$30,000 plus taxes. Ceiling on deductible leasing costs will remain at \$800 plus taxes. The limit on allow able interest deduction for amounts borrowed to purchase an automobile will remain at \$300 per month. The limit on tax-exempt kilometre allowances increased to \$0.55 for the first 5,000 kilometres driven and \$0.49 for each additional kilometre.

2018/2019 PAYROLL DEDUCTIONS

		2018	2019
CPP	Max Pensionable Earnings	\$55,900.00	\$57,400.00
	Basic Annual Exemption	\$3,500.00	\$3,500.00
	Contribution Rate	4.95%	5.10%
	Max Employee Contribution	\$2,593.80	\$2,748.90
EI	Max Insurable Earnings	\$51,700.00	\$53,100.00
	Premium Rate	1.66%	1.62%
	Max Employee Annual Premium	\$858.22	\$860.22
	Max Employer Annual Premium	\$1,201.51	\$1,204.31

RRIF MIN WITHDRAWAL RATES FOR AGE AT DEC 31

Age	%	Age	%	Age	%	Age	%
71	5.28	77	6.17	83	7.71	89	10.99
72	5.40	78	6.36	84	8.08	90	11.92
73	5.53	79	6.58	85	8.51	91	13.06
74	5.67	80	6.82	86	8.99	92	14.49
75	5.82	81	7.08	87	9.55	93	16.34
76	5.98	82	7.38	88	10.21	94	18.79
* Under 71 + 1/(90-Age attained at beginning of year)						95+	20.00

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2018 / 2017 AVERAGE EXCHANGE RATES

Country	Currency	2018	2017
United States	Dollar	1.2891	1.2986
European Union	Euro	1.5340	1.4650
United Kingdom	Pound	1.7353	1.6720
Japan	Yen	0.0117	0.01158

2018 average to Oct 31, 2018

PLANNING AND FILING DEADLINES IN 2019

February 28: Last day to issue T4's, T4A's and T5's.

March 1: Last day to make personal and spousal RRSP contributions applicable to the 2018 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 2018 and remit balance due, if any, to CRA.

June 15: Due date for Personal Tax Returns of individuals or spouses/common-law partners of individuals with self-employed business income. (Payment of tax balance still due by May 1).

December 31: Deadline for RRSP contributions in the year a taxpayer turns 71. This is also the deadline for converting RRSPs into RRIFs or Life Annuities in a taxpayer's 71st year.

Taxation

Our experienced tax advisors can help you navigate the ever changing world of personal, corporate, estate, trust and international tax regulations while maximizing your tax savings opportunities.

Financial Statements

We don't just look at the numbers – we look at the big picture and help you report, interpret and use those numbers to ramp up your business and increase your profitability.

Estates & Trusts

Our estate and trust advisors at Rise will treat the planning and administration of your estate with the utmost professionalism and personalized care it deserves.

Business Advisory Services

Whether you want to ensure that your new venture is on the right path to success, or you want your established business to gain a competitive edge, you're in good hands with Rise.

Business Improvement

We look at your business from multiple angles so you get accurate, proactive advice when you need it.

GOVERNMENT / CRA CONTACT

CRA - Individual Taxes	1-800-959-8281
CRA - Business Services	1-800-959-5525
HRDC - CPP/OAS/GIS	1-800-277-9914
PST Hotline	1-877-388-4440