



QUICK TAX FACTS
2020



2019 FEDERAL AND BRITISH COLUMBIA PERSONAL TAX CREDITS

Amount of credits:	NOTES	FEDERAL	BC
Tax rate applied to credits		15.00%	5.06%
Basic personal		\$12,069	\$10,682
Spousal/partner and wholly dependent	1	12,069	9,147
Caregiver Dependants 18 and over and infirm	1	7,140	4,674
Adoption	2	16,255	16,255
Disability		8,416	8,012
Disability supplement	3	4,909	4,674
Pension (max)		2,000	1,000
Age 65 and over	4	7,494	4,791
Medical expense threshold	5	2,352	2,221
Employment	6	1,222	—
Canada Pension Plan contributions (max)		2,749	2,749
Employment Insurance premiums (max)		860	860
Home buyers (max)	7	5,000	—
Home accessibility (max)	8	10,000	1,000
Tuition fees	9	Yes	No
Education (Full-time/Part-time — per month)	10	—	—
Charitable donations (Credit rate on first \$200)		15.00%	5.06%
Charitable donations (Credit rate on balance)		29% / 33%	16.80%

- The value of these tax credits is reduced whenever the dependant's income exceeds specific threshold amounts; the thresholds are (Federal/BC) \$0 / \$915 for Spouse or Common-Law Partner and \$16,766 / \$15,820 for Canada and BC Caregiver Credit.
 - 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.
 - 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.
 - The Age credit begins to reduce when the taxpayer's net income reaches \$37,790 / \$35,660 and is fully reduced at \$87,750 / \$67,600.
 - 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.
 - 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.
 - 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. 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.
 - 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.
 - 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. British Columbia eliminated the province's education tax credit effective January 1, 2019.
 - The federal government eliminated the education tax credits effective January 1, 2017 and British Columbia eliminated the province's education tax credits effective January 1, 2019. Any carry forward amounts may be claimed in future years.
- OAS claw back begins at \$77,580 and is fully recovered at \$126,058.

INDIVIDUAL MARGINAL RATES - 2019

Taxable Income	Income	Eligible Dividends	Regular Dividends
First \$40,707	20.06%	0.00%	10.43%
\$40,707 - \$47,630	22.70%	0.00%	13.47%
\$47,630 - \$81,416	28.20%	1.63%	19.80%
\$81,416 - \$93,476	31.00%	5.49%	23.02%
\$93,476 - \$95,259	32.79%	7.96%	25.07%
\$95,259 - \$113,506	38.29%	15.55%	31.40%
\$113,506 - \$147,667	40.70%	18.88%	34.17%
\$147,667 - \$153,900	43.70%	23.02%	37.62%
\$153,900 - \$210,371	45.80%	25.92%	40.04%
Over \$210,372	49.80%	31.44%	44.64%

2019 TAXABLE INCOME WITH BASIC EXEMPTION

Taxable Income	Total Tax	Taxable Income	Total Tax	Taxable Income	Total Tax
10,000	—	34,000	3,864	80,000	15,608
11,000	—	36,000	4,238	82,500	16,343
12,000	—	38,000	4,612	85,000	17,118
13,000	—	40,000	4,986	90,000	18,668
14,000	—	42,000	5,395	95,000	20,245
15,000	132	44,000	5,822	100,000	22,145
16,000	272	46,000	6,249	105,000	24,060
17,000	412	48,000	6,696	110,000	25,974
18,000	552	50,000	7,233	115,000	27,925
19,000	692	52,000	7,770	120,000	29,960
20,000	832	54,000	8,310	125,000	31,995
21,000	979	56,000	8,854	130,000	34,030
22,000	1,202	58,000	9,404	140,000	38,100
23,000	1,424	60,000	9,968	150,000	42,240
24,000	1,647	62,000	10,532	175,000	53,608
25,000	1,870	64,000	11,096	200,000	65,058
26,000	2,093	66,000	11,660	225,000	77,093
27,000	2,315	68,000	12,224	250,000	89,543
28,000	2,538	70,000	12,788	300,000	114,443
29,000	2,761	72,500	13,493	500,000	214,043
30,000	2,983	75,000	14,198	750,000	338,543
32,000	3,429	77,500	14,903	1,000,000	463,043

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

15% HST in Nova Scotia, New Brunswick, Prince Edward Island, and Newfoundland & Labrador (effective Oct 1/16)

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	16,194	7,746
30,000	778	—	125,000	24,735	11,688
40,000	1,961	—	150,000	34,412	14,840
50,000	3,851	—	200,000	55,213	28,824
60,000	5,830	1,575	250,000	77,529	44,542
70,000	7,809	3,262	500,000	189,107	123,134
80,000	10,084	4,757	750,000	300,686	201,726
90,000	13,018	6,252	1,000,000	412,264	280,318

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

2019 / 2020 MAJOR TAX CHANGES

- 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 preceding taxation year.
- For tax years ending after March 18, 2019, taxable income is no longer a factor in determining a Canadian-controlled private corporation's annual expenditure limit for the purpose of the refundable 35% enhanced SR&ED tax.
- Effective November 21, 2018, the Accelerated Investment Incentive provides for a temporary enhanced CCA deduction on assets subject to the existing CCA rules, with a few exceptions. The program also allows for a temporary full expensing on specific clean energy equipment and certain manufacturing and processing equipment. A phase out will begin for property that becomes available for use after 2023.
- Effective March 19, 2019 and until 2023, there is a first year enhanced CCA rate of 100% on eligible zero emission vehicles up to \$55,000 (plus sales taxes).
- Effective February 20, 2019, the maximum amount that eligible corporations can raise through the small business venture capital tax credit program is increased to \$10 million from \$5 million.
- The basic personal amount is set to increase to \$15,000 by 2023. This additional amount will be reduced for individuals earning over \$153,900.
- Starting January 1, 2020, residents of British Columbia will no longer be required to make MSP payments.
- The 2020 RRSP contribution limit of \$27,230 is reached with earned income of \$151,277 (2019 \$26,500 and \$147,222).
- The 2019 TFSA contribution limit is \$6,000. The annual limit was increased from \$5,500 in 2018.

PRESCRIBED INTEREST RATES

	RECEIVER GENERAL PAYMENTS		ALL OTHER PURPOSES
	Taxes Owning	Tax Refund	
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%
2019 - Q1, Q2, Q3, Q4	6%	4%	2%

CORPORATE TAX RATES

COMBINED FEDERAL AND BC TAX RATES

Active business income up to \$500,000	Active business income over \$500,000	Investment Income
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
50.72%	49.95%	22.59%	27.86%	45.18%	55.72%

TAX SAVINGS (COSTS) OF INCORPORATION

(0.92%)	(0.15%)	2.31%	(2.96%)	4.62%	(5.92%)
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TAX-DEFERRAL (PRE-PAYMENT) OF INCORPORATION

38.80%	22.80%	(0.45%)	(0.45%)	(0.90%)	(0.90%)
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* The percentages noted for eligible dividends are only available if there was a RDTOH and GRIP balance available in the company at January 1, 2019.

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 in effect as of December 31, 2019. Consult your Rise CPA office in order to receive specific advice appropriate to your specific situation.

2019 / 2020 AUTOMOBILE DEDUCTION LIMITS

Effective January 1, 2019, the following passenger vehicle limits apply: Maximum cost for CCA purposes will remain at \$30,000 plus taxes (\$55,000 plus taxes for eligible zero-emission passenger vehicles). Ceiling on deductible leasing costs will remain at \$800 plus taxes. The limit on allowable interest deduction for amounts borrowed to purchase an automobile will remain at \$300 per month. The limit on tax-exempt kilometre allowances increased to \$0.58 (\$0.59 in 2020) for the first 5,000 kilometres driven and \$0.52 (\$0.53 in 2020) for each additional kilometre.

2019/2020 PAYROLL DEDUCTIONS

		2019	2020
CPP	Max Pensionable Earnings	\$57,400.00	\$58,700.00
	Basic Annual Exemption	\$3,500.00	\$3,500.00
	Contribution Rate	5.10%	5.25%
	Max Employee Contribution	\$2,748.90	\$2,898.00
EI	Max Insurable Earnings	\$53,100.00	\$54,200.00
	Premium Rate	1.62%	1.58%
	Max Employee Annual Premium	\$860.22	\$856.36
	Max Employer Annual Premium	\$1,204.31	\$1,198.90

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

EMPLOYER HEALTH TAX

Effective January 1, 2019 the BC government introduced an Employer Health Tax to offset the elimination of MSP premiums. Employers include an individual, a corporation, a partnership, or a trust. In the case of a joint venture, the venturers individually are considered to be the employers.

BC REMUNERATION		
Under \$500,000	Between \$500,000 and \$1,500,000	Over \$1,500,000
—	2.925% x (Total BC Remuneration less \$500,000)	1.95% x Total BC Remuneration

PLANNING AND FILING DEADLINES IN 2020

February 29: 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 2019 taxation year.

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

March 30: File Trust Income Tax Return for 2019 and remit balances due, if any, to CRA.

March 31: File annual declaration for BC Speculation and Vacancy Tax.

April 30: File Personal Income Tax Returns for 2019 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 April 30).

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.

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.

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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.

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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.

Transaction Advisory Services

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US Tax Services

Our US tax compliance team can assist you with the preparation and filing of your US Federal and State personal income tax filings. Additionally, we can advise on matters related to cross border implications and issues.

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

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Taxation

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2nd Floor, 566 Lougheed Hwy.
Coquitlam BC V3K 3S3

Office: 604.936.4377

Fax: 604.936.8376

riseadvisors.ca