



QUICK TAX FACTS 2021



2020 FEDERAL AND BRITISH COLUMBIA PERSONAL TAX CREDITS

Amount of credits:	NOTES	FEDERAL	BC
Tax rate applied to credits		15.00%	5.06%
Basic personal		\$12,298	\$10,949
Spousal/partner and wholly dependent	1	12,298	9,376
Caregiver Dependants 18 and over and infirm	1	7,276	4,792
Adoption	2	16,563	16,563
Disability		8,576	8,212
Disability supplement	3	5,003	4,791
Pension (max)		2,000	1,000
Age 65 and over	4	7,637	4,910
Medical expense threshold	5	2,397	2,277
Employment	6	1,245	—
Canada Pension Plan contributions (max)		2,898	2,898
Employment Insurance premiums (max)		856	856
Home buyers (max)	7	5,000	—
Home accessibility (max)	8	10,000	1,000
Tuition fees	9	Yes	Yes
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)	11	29% / 33%	16.8% / 20.5%

- The value of these tax credits is reduced whenever the dependant's income exceeds specific threshold amounts; the thresholds are (Federal/BC) \$0 / \$938 for Spouse or Common-Law Partner and \$17,085 / \$16,215 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 \$38,508 / \$36,552 and is fully reduced at \$89,421 / \$67,531.
- 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 and worth up to \$750 (\$5,000 x 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.
- 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.
- The donation tax credit rate of 33% / 20.5% applies to charitable donations over \$200 to the extent that the taxpayer's income is subject to the top tax rate of \$214,368 / \$220,000. Otherwise, the rate of 29% / 16.8% applies to donations over \$200.

OAS claw back begins at \$79,054 and is fully recovered at \$128,149.

INDIVIDUAL MARGINAL RATES - 2020

Taxable Income	Income	Eligible Dividends	Regular Dividends
First \$41,725	20.06%	0.00%	10.43%
\$41,725 - \$48,535	22.70%	0.00%	13.47%
\$48,535 - \$83,451	28.20%	1.63%	19.80%
\$83,451 - \$95,812	31.00%	5.49%	23.02%
\$95,812 - \$97,069	32.79%	7.96%	25.07%
\$97,069 - \$116,344	38.29%	15.55%	31.40%
\$116,344 - \$150,473	40.70%	18.88%	34.17%
\$150,473 - \$157,748	43.92%	23.32%	37.87%
\$157,748 - \$214,368	46.02%	26.22%	40.29%
\$214,368 - \$220,000	49.80%	31.44%	44.64%
Over \$220,000	53.50%	36.54%	48.89%

2020 TAXABLE INCOME WITH BASIC EXEMPTION

Taxable Income	Total Tax	Taxable Income	Total Tax	Taxable Income	Total Tax
10,000	—	34,000	3,796	80,000	15,453
11,000	—	36,000	4,190	82,500	16,158
12,000	—	38,000	4,564	85,000	17,682
13,000	—	40,000	4,939	90,000	18,457
14,000	—	42,000	5,320	95,000	20,007
15,000	92	44,000	5,747	100,000	21,793
16,000	237	46,000	6,174	105,000	23,707
17,000	377	48,000	6,601	110,000	25,622
18,000	517	50,000	7,109	115,000	27,536
19,000	657	52,000	7,646	120,000	29,539
20,000	797	54,000	8,186	125,000	31,574
21,000	937	56,000	8,729	130,000	33,609
22,000	1,123	58,000	9,273	140,000	37,679
23,000	1,346	60,000	9,813	150,000	41,749
24,000	1,569	62,000	10,377	175,000	53,022
25,000	1,792	64,000	10,941	200,000	64,472
26,000	2,014	66,000	11,505	225,000	76,562
27,000	2,237	68,000	12,069	250,000	89,937
28,000	2,460	70,000	12,633	300,000	116,687
29,000	2,682	72,500	13,338	500,000	223,687
30,000	2,905	75,000	14,043	750,000	357,437
32,000	3,351	77,500	14,748	1,000,000	491,187

* 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	15,835	7,781
30,000	728	—	125,000	24,344	11,295
40,000	1,886	—	150,000	33,856	14,683
50,000	3,726	—	200,000	54,867	30,179
60,000	5,705	1,537	250,000	79,310	48,451
70,000	7,684	3,287	500,000	201,526	139,807
80,000	9,903	4,791	750,000	323,742	231,164
90,000	12,695	6,286	1,000,000	445,958	322,521

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

2020 / 2021 MAJOR TAX CHANGES

- ♦ As a result of the COVID-19 pandemic, there are a number of government supported programs applicable for the 2020 calendar year year (items are generally taxable in the year received):
 - The Canada Emergency Wage Subsidy (CEWS) is a wage subsidy program for businesses that have experienced any decline in gross revenue. This program has been extended until June 2021.
 - The Canada Emergency Business Account (CEBA) is an interest free loan of up to \$60,000. If fully repaid by December 31, 2022, 25% is forgiven.
 - The Canada Emergency Commercial Rent Assistance (CECRA) is a rent relief program for businesses experiencing a significant decline in revenue.
 - The Canada Recovery Sickness Benefit (CRSB) replaced the Emergency Response Benefit (CERB), which ended at the end of September 2020. The CRSB is available until September 25, 2021.
- ♦ Starting March 31, 2021, BC employers may be eligible for a new 15% refundable tax credit for new or increased wages paid to eligible employees between October - December 2020.
- ♦ Between April 2021 and March 2022, incorporated businesses may be eligible for a rebate on PST paid on selected machinery and equipment acquired between September 17, 2020 and September 30, 2021.
- ♦ 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 preceding taxation year.
- ♦ The 2020 RRSP contribution limit of \$27,230 is reached with earned income of \$151,278 (2019 \$26,500 and \$147,222).
- ♦ The 2020 TFSA contribution limit is \$6,000. If no contributions have been made, the cumulative amount available is \$69,500.

PRESCRIBED INTEREST RATES

	RECEIVER GENERAL PAYMENTS		ALL OTHER PURPOSES
	Taxes Owed	Tax Refund	
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%
2020 - Q1, Q2	6%	4%	2%
2020 - Q3, Q4	5%	3%	1%

2020 / 2021 AUTOMOBILE DEDUCTION LIMITS

Effective January 1, 2020, 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 \$0.59 for the first 5,000 kilometres driven and \$0.53 for each additional kilometre.

2020/2021 PAYROLL DEDUCTIONS

		2020	2021
CPP	Max Pensionable Earnings	\$58,700.00	\$61,600.00
	Basic Annual Exemption	\$3,500.00	\$3,500.00
	Contribution Rate	5.25%	5.45%
	Max Employee Contribution	\$2,898.00	\$3,166.45
EI	Max Insurable Earnings	\$54,200.00	\$56,300.00
	Premium Rate	1.58%	1.58%
	Max Employee Annual Premium	\$856.36	\$889.54
	Max Employer Annual Premium	\$1,198.90	\$1,245.36

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 2021

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 2020 taxation year.

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

March 31: File Trust Income Tax Return for 2020 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 2020 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.

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.

Transaction Advisory Services

Whether you are selling all or part of your business, expanding, or partnering we can help. With our extensive experience in facilitating transactions, we can assist in putting together the right deal.

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

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

Business Advisory

- ✦ Estate Planning & Compliance
- ✦ Succession Planning
- ✦ Business Improvement
- ✦ Business Diagnostic
- ✦ Strategic Planning
- ✦ Business Improvement Initiatives
- ✦ Analytics & Reporting Solutions
- ✦ Technology Advisory
- ✦ Profitable Modeling

Taxation

- ✦ Corporate Tax
- ✦ Tax Compliance
- ✦ Tax Planning
- ✦ International Tax
- ✦ Sales Tax
- ✦ Strategic Tax Structuring
- ✦ Pre-Acquisition Preparation
- ✦ Post-Acquisition Integration
- ✦ Transaction Advisory
- ✦ Divestitures
- ✦ Acquisitions
- ✦ Merger & Joint Ventures
- ✦ Investment Structuring
- ✦ Other Transactions



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

Office: 604.936.4377

Fax: 604.936.8376

riseadvisors.ca

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
54.51%	53.67%	24.63%	29.56%	49.26%	59.12%

TAX SAVINGS (COSTS) OF INCORPORATION

(1.01%)	(0.17%)	2.12%	(2.81%)	4.24%	(5.62%)
---------	---------	-------	---------	-------	---------

TAX-DEFERRAL (PRE-PAYMENT) OF INCORPORATION

42.50%	26.50%	(1.40%)	(1.40%)	(2.80%)	(2.80%)
--------	--------	---------	---------	---------	---------

* 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, 2020. Consult your Rise CPA office in order to receive specific advice appropriate to your specific situation.