



QUICK TAX FACTS 2022



2021 FEDERAL AND BRITISH COLUMBIA PERSONAL TAX CREDITS

Amount of credits:	NOTES	FEDERAL	BC
Tax rate applied to credits		15.00%	5.06%
Basic personal		\$13,808	\$11,070
Spousal/partner and wholly dependent	1	13,808	9,479
Caregiver/Dependants Infirm, 18 and over	1	7,348	4,844
Adoption	2	16,729	16,729
Disability		8,662	8,303
Disability supplement	3	5,053	4,844
Pension (max)		2,000	1,000
Age 65 and over	4	7,713	4,964
Medical expense threshold	5	2,421	2,302
Employment	6	1,275	—
Canada Pension Plan contributions (max)		3,166	3,166
Employment Insurance premiums (max)		890	890
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 / \$948 for Spouse or Common-Law Partner and \$17,256 / \$16,394 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 \$38,893 / \$36,954 and is fully reduced at \$90,313 / \$70,047.
- 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 \$216,511 / \$220,420. Otherwise, the rate of 29% / 16.8% applies to donations over \$200. OAS claw back begins at \$79,845 and is fully recovered at \$129,757.

INDIVIDUAL MARGINAL RATES - 2021

Taxable Income	Income	Eligible Dividends	Regular Dividends
First \$42,184	20.06%	0.00%	10.43%
\$42,184.01 - \$49,020	22.70%	0.00%	13.47%
\$49,020 - \$84,369	28.20%	1.63%	19.80%
\$84,369 - \$96,866	31.00%	5.49%	23.02%
\$96,866 - \$98,040	32.79%	7.96%	25.07%
\$98,040 - \$117,623	38.29%	15.55%	31.40%
\$117,623 - \$151,978	40.70%	18.88%	34.17%
\$151,978 - \$159,483	44.02%	23.46%	37.99%
\$159,483 - \$216,511	46.12%	26.36%	40.41%
\$216,511 - \$222,420	49.80%	31.44%	44.64%
Over \$222,420	53.50%	36.54%	48.89%

2021 TAXABLE INCOME WITH BASIC EXEMPTION

Taxable Income	Total Tax	Taxable Income	Total Tax	Taxable Income	Total Tax
10,000	—	34,000	4,155	80,000	16,119
11,000	—	36,000	4,590	82,500	16,824
12,000	—	38,000	4,991	85,000	17,546
13,000	—	40,000	5,392	90,000	19,096
14,000	29	42,000	5,793	95,000	20,646
15,000	179	44,000	6,243	100,000	22,360
16,000	329	46,000	6,697	105,000	24,275
17,000	479	48,000	7,151	110,000	26,189
18,000	629	50,000	7,659	115,000	28,104
19,000	779	52,000	8,223	120,000	30,075
20,000	929	54,000	8,787	125,000	32,110
21,000	1,085	56,000	9,351	130,000	34,145
22,000	1,321	58,000	9,915	140,000	38,215
23,000	1,557	60,000	10,479	150,000	42,285
24,000	1,793	62,000	11,043	175,000	53,551
25,000	2,030	64,000	11,607	200,000	65,082
26,000	2,266	66,000	12,171	225,000	77,020
27,000	2,502	68,000	12,735	250,000	90,395
28,000	2,738	70,000	13,299	300,000	117,145
29,000	2,974	72,500	14,004	500,000	224,145
30,000	3,211	75,000	14,709	750,000	357,895
32,000	3,683	77,500	15,414	1,000,000	491,645

* 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	15,465	7,581
30,000	494	—	125,000	23,944	11,177
40,000	1,642	—	150,000	33,440	14,677
50,000	3,455	—	200,000	54,418	29,731
60,000	5,434	1,242	250,000	78,861	48,002
70,000	7,413	3,070	500,000	201,077	139,359
80,000	9,606	4,791	750,000	323,293	230,716
90,000	12,326	6,086	1,000,000	445,509	322,072

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

2021 / 2022 MAJOR TAX CHANGES

◇ As a result of the COVID-19 pandemic, there are a number of government supported programs applicable for the 2021 calendar year:

- The Canada Recovery Hiring Program (CRHP) and Canada Emergency Wage Subsidy (CEWS) are wage subsidy programs for businesses that have experienced any decline in gross revenue.
- The Canada Emergency Rent Subsidy (CERS) is a rent relief program for businesses experiencing a significant decline in revenue. This program replaced Canada Emergency Commercial Rent Assistance (CECRA).
- The Canada Recovery Sickness Benefit (CRSB), Canada Recovery Caregiving Benefit (CRCB), and Canada Worker Lockdown Benefit (CWLB) are benefits for individuals unable to work due to COVID-19.
- The above items are generally taxable in the year received.

◇ On June 22, 2021, new legislation was substantively enacted in an attempt to alleviate tax restrictions for taxpayers who sell their business, family farm, or fishing corporation to their children or grandchildren. These new rules allow for more preferential tax treatment on inter-generational transfers, including potentially utilizing the capital gains exemption on such transactions.

◇ Between April 2021 and September 2022, incorporated businesses may be eligible for a rebate on B.C. PST paid on selected machinery and equipment acquired between September 17, 2020 and March 31, 2022.

◇ 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 2021 RRSP contribution limit of \$27,830 is reached with earned income of \$154,611 (2020: \$27,230 and \$151,278).

◇ The 2021 TFSA contribution limit is \$6,000. If no contributions have been made, the cumulative amount available is \$75,500.

PRESCRIBED INTEREST RATES

	RECEIVER GENERAL PAYMENTS		ALL OTHER PURPOSES
	Taxes Owning	Tax Refund	
2018 - Q2, Q3, Q4	6%	4%	2%
2019 - Q1, Q2, Q3	6%	4%	2%
2020 - Q1, Q2	6%	4%	2%
2020 - Q3, Q4	5%	3%	1%
2021 - Q1, Q2, Q3, Q4	5%	3%	1%
2022 - Q1	5%	3%	1%

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%	24.62%	29.56%	49.23%	59.11%

TAX SAVINGS (COSTS) OF INCORPORATION

(1.01%)	(0.17%)	2.13%	(2.81%)	4.27%	(5.61%)
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TAX-DEFERRAL (PRE-PAYMENT) OF INCORPORATION

42.50%	26.50%	(1.40%)	(1.40%)	(2.80%)	(2.80%)
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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, 2021. Consult your Rise CPA office in order to receive specific advice appropriate to your specific situation.

2021 / 2022 AUTOMOBILE DEDUCTION LIMITS

Effective January 1, 2021, 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.

2021/2022 PAYROLL DEDUCTIONS

		2021	2022
CPP	Max Pensionable Earnings	\$61,600.00	\$64,900.00
	Basic Annual Exemption	\$3,500.00	\$3,500.00
	Contribution Rate	5.45%	5.70%
	Max Employee Contribution	\$3,166.45	\$3,499.80
EI	Max Insurable Earnings	\$56,300.00	\$60,300.00
	Premium Rate (Employee)	1.58%	1.58%
	Max Employee Annual Premium	\$889.54	\$952.74
	Max Employer Annual Premium	\$1,245.36	\$1,333.84

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 2022

February 2: File annual declaration for Vancouver Empty Home Tax.

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 2021 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 2021 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 2021 and remit balance due, if any, to CRA.

June 15: Due date for T1 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 2).

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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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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