



# QUICK TAX FACTS 2023



## 2022 FEDERAL AND BRITISH COLUMBIA PERSONAL TAX CREDITS

Amount of credits:	NOTES	FEDERAL	BC
Tax rate applied to credits		15.00%	5.06%
Basic personal		\$14,398	\$11,302
Spousal/partner and wholly dependent person	1	14,398	9,678
Dependants/Canada and BC Caregiver   18 and over	1	7,525	4,946
Adoption	2	17,131	17,131
Disability		8,870	8,477
Disability supplement	3	5,174	4,946
Pension (max)		2,000	1,000
Age 65 and over	4	7,898	5,069
Medical expense threshold	5	2,479	2,350
Employment	6	1,287	—
Canada Pension Plan contributions (max)		3,500	3,500
Employment Insurance premiums (max)		953	953
Home buyers (max)	7	10,000	—
Home accessibility (max)	8	20,000	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%

1. The value of these tax credits are reduced whenever the dependant's income exceeds specific threshold amounts; the thresholds are (Federal/BC) \$0 / \$968 for Spouse or Common-Law Partner and \$17,670 / \$16,738 for the 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 \$39,826 / \$37,730 (Federal/BC) and is fully reduced at \$92,479 / \$71,523.
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. 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 \$10,000 and worth up to \$1,500 (\$10,000 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.
8. 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.
9. 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.
10. 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.
11. 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 \$221,080 / \$227,091 (Federal/BC). Otherwise, the rate of 29% / 16.8% applies to donations over \$200.  
  
OAS claw back begins at \$81,761 and is fully recovered at \$134,626.

INDIVIDUAL MARGINAL RATES - 2022

Taxable Income	Income	Eligible Dividends	Regular Dividends
First \$43,070	20.06%	0.00%	10.43%
\$43,070 - \$50,197	22.70%	0.00%	13.47%
\$50,197 - \$86,141	28.20%	1.63%	19.80%
\$86,141 - \$98,901	31.00%	5.49%	23.02%
\$98,901 - \$100,392	32.79%	7.96%	25.07%
\$100,392 - \$120,094	38.29%	15.55%	31.40%
\$120,094 - \$155,625	40.70%	18.88%	34.17%
\$155,625 - \$162,832	44.08%	23.54%	38.06%
\$162,832 - \$221,708	46.18%	26.44%	40.48%
\$221,708 - \$227,091	49.80%	31.44%	44.64%
Over \$227,091	53.50%	36.54%	48.89%

2022 TAXABLE INCOME WITH BASIC EXEMPTION

Taxable Income	Total Tax	Taxable Income	Total Tax	Taxable Income	Total Tax
10,000	—	34,000	4,030	80,000	15,931
11,000	—	36,000	4,490	82,500	16,636
12,000	—	38,000	4,891	85,000	17,341
13,000	—	40,000	5,292	90,000	18,859
14,000	—	42,000	5,694	95,000	20,409
15,000	90	44,000	6,119	100,000	21,978
16,000	240	46,000	6,573	105,000	23,871
17,000	390	48,000	7,027	110,000	25,786
18,000	540	50,000	7,481	115,000	27,700
19,000	690	52,000	8,035	120,000	29,615
20,000	840	54,000	8,599	125,000	31,647
21,000	990	56,000	9,163	130,000	33,682
22,000	1,195	58,000	9,727	140,000	37,752
23,000	1,432	60,000	10,291	150,000	41,822
24,000	1,668	62,000	10,855	175,000	52,908
25,000	1,904	64,000	11,419	200,000	64,453
26,000	2,140	66,000	11,983	225,000	76,118
27,000	2,376	68,000	12,547	250,000	89,415
28,000	2,613	70,000	13,111	300,000	116,165
29,000	2,849	72,500	13,816	500,000	223,165
30,000	3,085	75,000	14,521	750,000	356,915
32,000	3,557	77,500	15,226	1,000,000	490,665

\* 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

## 2022 DIVIDEND INCOME WITH DIVIDEND TAX CREDIT

Actual Dividend	Regular Dividend	Eligible Dividend	Actual Dividend	Regular Dividend	Eligible Dividend
20,000	—	—	100,000	15,062	7,557
30,000	498	—	125,000	23,480	11,188
40,000	1,518	—	150,000	32,796	14,707
50,000	3,266	—	200,000	53,438	28,751
60,000	5,245	1,123	250,000	77,881	47,022
70,000	7,225	3,002	500,000	200,097	138,379
80,000	9,368	4,567	750,000	322,313	229,735
90,000	11,922	6,062	1,000,000	444,529	321,092

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

## 2022 MAJOR TAX CHANGES

- Effective for tax years beginning April 7, 2022 and later, access to the lower small business rate of 11% (Federal and B.C. combined) amongst an associated group of Canadian-Controlled Private Corporations has been expanded by increasing the taxable capital threshold from a range of \$10 to \$15 million, to a range of \$10 to \$50 million.
- Effective for residential properties sold on or after January 1, 2023, proceeds from the sale of property that have been owned for less than 1 year will be considered taxable as business income (rather than as a capital gain with an inclusion rate of 50%) and not be eligible for the principal residence exemption. Certain exceptions are available in cases of death, disability, separation and work relocation.
- The new Multigenerational Home Renovation Tax Credit will provide a refundable tax credit of up to \$50,000 (i.e., a cash refund of up to \$7,500) for the construction of a secondary unit in a home to accommodate family members who are seniors or adults with disabilities. This credit will be available for eligible expenses incurred January 1, 2023 or later.
- The new Tax-Free First Home Savings Account provides prospective first-time homebuyers with the ability to save up to \$40,000 towards the purchase by providing a tax deduction upon contribution to this account, and allowing for income and gains earned within the account to be exempt from income tax. This credit will be available on and after April 1, 2023.
- The Labour Mobility Tax Deduction for Tradespeople provides a \$4,000 deduction per year in eligible travel and temporary relocation expenses to tradespersons and apprentices. This tax deduction applies to eligible expenses incurred January 1, 2022 or later.
- Expansion of the eligibility criteria for the Disability Tax Credit including an expanded list of mental functions necessary for everyday life and more activities recognized in determining time spent on life-sustaining therapy. This is retroactive to January 1, 2021. If previously denied under these criteria, the CRA will re-review your application.
- The 2022 RRSP contribution limit of \$29,210 is reached with earned income of \$162,278 (for 2021 - \$27,830 and \$154,611 respectively).
- The 2022 TFSA contribution limit is \$6,000. If no contributions have been made, the cumulative amount available is \$81,500.

## PRESCRIBED INTEREST RATES

	RECEIVER GENERAL PAYMENTS		ALL OTHER PURPOSES
	Taxes Owning	Tax Refund	
2020 - Q1, Q2	6%	4%	2%
2020 - Q3, Q4	5%	3%	1%
2021 - Q1, Q2, Q3, Q4	5%	3%	1%
2022 - Q1, Q2	5%	3%	1%
2022 - Q3	6%	4%	2%
2022 - Q4	7%	5%	3%
2023 - Q1	8%	6%	4%

## 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%
United Kingdom	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 matters in a broad sense in effect as of December 31, 2022. Consult your Rise CPA office in order to receive specific advice appropriate to your situation.*

## 2022 AUTOMOBILE DEDUCTION LIMITS

Effective January 1, 2022, the following passenger vehicle limits apply: Maximum cost for CCA purposes will increase to \$34,000 plus taxes (\$59,000 for eligible zero-emission passenger vehicles). Ceiling on deductible leasing costs will increase to \$900 plus taxes from \$800. The limit on allowable interest deductions for amounts borrowed to purchase an automobile will remain at \$300 per month. The limit on tax-exempt kilometre allowances increases to \$0.61 for the first 5,000 kilometres driven and \$0.55 for each additional kilometre.

## 2022/2023 PAYROLL DEDUCTIONS

		2022	2023
CPP	Max Pensionable Earnings	\$64,900.00	\$65,700.00
	Basic Annual Exemption	\$3,500.00	\$3,500.00
	Contribution Rate	5.70%	5.95%
	Max Employee Contribution	\$3,499.80	\$3,700.90
EI	Max Insurable Earnings	\$60,300.00	\$61,500.00
	Premium Rate (Employee)	1.58%	1.63%
	Max Employee Annual Premium	\$952.74	\$1,002.45
	Max Employer Annual Premium	\$1,333.84	\$1,403.43

## RRIF MINIMUM 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 2023

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**February 2:** File annual declaration for Vancouver Empty Homes 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 2022 taxation year.

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

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

**March 31:** File Trust Income Tax Return for 2022 and remit balances due, if any, to CRA.

**April 30:** File Underused Housing Tax return and remit amount due, if any, to CRA.

**May 1:** File Personal Income Tax Returns for 2022 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 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 for taxpayers that turned 71.

### 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.

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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.

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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 and corporate income tax returns and elections. Additionally, we can advise on matters related to cross-border implications and issues.

## GOVERNMENT / CRA CONTACT

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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.**

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