



# QUICK TAX FACTS 2024



## 2023 FEDERAL AND BRITISH COLUMBIA PERSONAL TAX CREDITS

Amount of credits:	NOTES	FEDERAL	BC
Tax rate applied to credits		15.00%	5.06%
Basic personal		\$15,000	\$11,981
Spousal/partner and wholly dependent person	1	15,000	10,259
Dependants/Canada and BC Caregiver   18 and over	1	7,999	5,243
Adoption	2	18,210	18,210
Disability		9,428	8,986
Disability supplement	3	5,550	5,242
Pension (max)		2,000	1,000
Age 65 and over	4	8,396	5,373
Medical expense threshold	5	2,635	2,491
Employment	6	1,368	—
Canada Pension Plan contributions (max)		3,754	3,754
Employment Insurance premiums (max)		1,002	1,002
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 / \$1,026 for Spouse or Common-Law Partner and \$18,783 / \$17,742 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 \$42,335 / \$39,994 (Federal/BC) and is fully reduced at \$98,308 / \$75,814.
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 \$235,675 / \$240,716 (Federal/BC). Otherwise, the rate of 29% / 16.8% applies to donations over \$200.

OAS claw back begins at \$86,912 and is fully recovered at \$142,609.

INDIVIDUAL MARGINAL RATES - 2023

Taxable Income	Income	Eligible Dividends	Regular Dividends
First \$45,654	20.06%	0.00%	10.43%
\$45,654 - \$53,359	22.70%	0.00%	13.47%
\$53,359 - \$91,310	28.20%	1.63%	19.80%
\$91,310 - \$104,835	31.00%	5.49%	23.02%
\$104,835 - \$106,717	32.79%	7.96%	25.07%
\$106,717 - \$127,299	38.29%	15.55%	31.40%
\$127,299 - \$165,430	40.70%	18.88%	34.17%
\$165,430 - \$172,602	44.02%	23.46%	37.99%
\$172,602 - \$235,675	46.12%	26.36%	40.41%
\$235,675 - \$240,717	49.80%	31.44%	44.64%
Over \$240,717	53.50%	36.54%	48.89%

2023 TAXABLE INCOME WITH BASIC EXEMPTION

Taxable Income	Total Tax	Taxable Income	Total Tax	Taxable Income	Total Tax
10,000	—	34,000	3,964	80,000	15,564
11,000	—	36,000	4,365	82,500	16,269
12,000	—	38,000	4,767	85,000	16,974
13,000	52	40,000	5,168	90,000	18,384
14,000	102	42,000	5,569	95,000	19,897
15,000	153	44,000	5,970	100,000	21,447
16,000	353	46,000	6,380	105,000	23,000
17,000	554	48,000	6,834	110,000	24,820
18,000	755	50,000	7,288	115,000	26,735
19,000	955	52,000	7,742	120,000	28,649
20,000	1,156	54,000	8,232	125,000	30,564
21,000	1,356	56,000	8,796	130,000	32,543
22,000	1,557	58,000	9,360	140,000	36,613
23,000	1,758	60,000	9,924	150,000	40,683
24,000	1,958	62,000	10,488	175,000	51,226
25,000	2,159	64,000	11,052	200,000	62,755
26,000	2,359	66,000	11,616	225,000	74,284
27,000	2,560	68,000	12,180	250,000	86,684
28,000	2,761	70,000	12,744	300,000	113,434
29,000	2,961	72,500	13,449	500,000	220,434
30,000	3,162	75,000	14,154	750,000	354,184
32,000	3,563	77,500	14,859	1,000,000	487,934

\* 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

2023 DIVIDEND INCOME WITH DIVIDEND TAX CREDIT

Actual Dividend	Regular Dividend	Eligible Dividend	Actual Dividend	Regular Dividend	Eligible Dividend
20,000	107	—	100,000	14,096	4,098
30,000	463	—	125,000	22,341	8,121
40,000	1,325	—	150,000	31,117	13,053
50,000	2,899	—	200,000	51,312	28,812
60,000	4,879	—	250,000	77,943	47,084
70,000	6,858	109	500,000	200,159	138,441
80,000	8,856	1,068	750,000	322,375	229,797
90,000	11,157	2,583	1,000,000	444,591	321,154

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

2023 MAJOR TAX CHANGES

- ◊ New mandatory disclosure rules have been enacted for tax-related transactions that occur on or after June 22, 2023. These new rules are broad and could capture tax planning transactions that were previously excluded. If applicable, the taxpayer and tax advisors will be required to disclose the transactions to the CRA. Non-compliance could result in significant penalties for taxpayers of up to a maximum of \$25,000, or 25% of the tax benefit.
- ◊ Starting in the 2024 taxation year, significant changes are proposed for the Alternative Minimum Tax ("AMT") regime. AMT affects individual taxpayers to ensure a minimum amount of taxes are paid each year. Common examples where AMT could apply include taxpayers with significant taxable income that is sheltered by the capital gains deduction, or through advantageous tax credits such as donations to registered charities. Some of the significant changes to the AMT include an increase to the AMT tax rate from 15% to 20.5%, an increase to the capital gain inclusion rate from 80% to 100%, and an increase to the basic exemption from \$40,000 to approximately \$173,000 in 2024 (to be indexed annually).
- ◊ New trust reporting and filing requirements apply to taxation years ending after December 30, 2023 for T3 Trust tax returns, including disclosure of additional information (such as date of birth, residency) of the settlors, trustees, and beneficiaries. In addition, bare trust arrangements are now required to disclose this information on a T3 tax return whereas in previous years such arrangements were excluded from filing.
- ◊ The intergeneration business transfer rules have been revised to require additional conditions in order to allow for tax-preferential treatment on qualifying transfers.
- ◊ The list of qualifying medical expenses has expanded to included amounts paid to fertility clinics and donor banks, and certain expenses incurred for a surrogate mother or a sperm donor.
- ◊ The 2023 RRSP contribution limit of \$30,780 is reached with earned income of \$171,000 (18% of earned income in previous year, for 2022 - \$29,210 and \$162,278 respectively).
- ◊ The 2023 TFSA contribution limit is \$6,500. If no contributions have been made, the cumulative amount available is \$88,000 (2022 - \$81,500).

PRESCRIBED INTEREST RATES

	RECEIVER GENERAL PAYMENTS		ALL OTHER PURPOSES
	Taxes Owing	Tax Refund	
2022 - Q1, Q2	5%	3%	1%
2022 - Q3	6%	4%	2%
2022 - Q4	7%	5%	3%
2023 - Q1	8%	6%	4%
2023 - Q2, Q3, Q4	9%	7%	5%

## 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, 2023. Consult your Rise CPA office in order to receive specific advice appropriate to your situation.*

## 2023 AUTOMOBILE DEDUCTION LIMITS

Effective January 1, 2023, the following passenger vehicle limits apply: Maximum cost for CCA purposes will increase to \$36,000 plus taxes (\$61,000 for eligible zero emission passenger vehicles). The ceiling on deductible leasing costs will increase to \$950 plus taxes from \$900. The limit on allowable interest deductions for amounts borrowed to purchase an automobile will remain at \$300 per month. The limit on tax-exempt kilometer allowances increases to \$0.68 for the first 5,000 kilometres driven and \$0.62 for each additional kilometre.

## 2023/2024 PAYROLL DEDUCTIONS

		2023	2024
CPP	Max Pensionable Earnings	\$66,000.00	\$73,200.00
	Basic Annual Exemption	\$3,500.00	\$3,500.00
	Contribution Rate	5.95%	5.95%
	Max Employee/Employer Contribution	\$3,754.45	\$4,055.50
EI	Max Insurable Earnings	\$61,500.00	\$63,200.00
	Premium Rate (Employee)	1.63%	1.66%
	Max Employee Annual Premium	\$1,002.45	\$1,049.12
	Max Employer Annual Premium	\$1,403.43	\$1,468.77

\* Starting in 2024, earnings between \$68,500 and \$73,200 are subject to a separate contribution rate of 4%.

## 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
2023	—	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 29:** Last day to issue T4's, T4A's and T5's.

**February 29:** Last day to make personal and spousal RRSP contributions applicable to the 2023 taxation year.

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

**March 30:** File Trust Income Tax Return for 2023 and remit balances due, if any, to CRA.

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

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

**April 30:** File Personal Income Tax Returns for 2023 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 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 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.

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Our US tax compliance team and affiliated firms 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

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