

2011 AUTOMOBILE DEDUCTION LIMITS

Effective January 1, 2011, the following limits apply:
Ceiling on capital cost of passenger vehicles remains at \$30,000, plus applicable taxes.

Ceiling on deductible leasing costs will remain at \$800, plus applicable taxes.

The limit on tax-exempt kilometer allowances is \$0.52 for the first 5,000 kilometers driven and \$0.46 for each additional kilometer. The limit on allowable interest deduction for amounts borrowed to purchase an automobile will remain at \$300 per month.

2010 / 2009 AVERAGE EXCHANGE RATES

COUNTRY	CURRENCY	2010	2009
United States	Dollar	1.0299	1.1420
European Union	Euro	1.3661	1.5855
United Kingdom	Pound Sterling	1.5917	1.7804
Japan	Yen	0.0117	0.0122

2011 / 2010 PAYROLL DEDUCTIONS

		2011	2010
CPP	Max Pensionable Earnings	\$48,300.00	\$ 47,200.00
	Basic Annual Exemption	\$ 3,500.00	\$ 3,500.00
	Contribution Rate	4.95%	4.95%
	Max Employee Contribution	\$ 2,217.60	\$ 2,163.15
EI	Max Annual Insurance Earnings	\$44,200.00	\$ 43,200.00
	Premium Rate	1.78%	1.73%
	Max Employee Annual Premium	\$ 786.76	\$ 747.36

CORPORATE TAX RATES

Combined Federal and BC Rates for the year ended:	ACTIVE INCOME	NO SMALL BUSINESS DEDUCTION	NON-ACTIVE INVESTMENT INCOME
	UP TO \$500,000	INCOME	INCOME
December 31, 2010 ...	13.50	28.50	45.17
January 31, 2011.....	13.50	28.33	45.12
February 28, 2011.....	13.50	28.18	45.09
March 31, 2011.....	13.50	28.00	45.04
April 30, 2011.....	13.50	27.84	45.00
May 31, 2011.....	13.50	27.67	44.96
June 30, 2011.....	13.50	27.51	44.92
July 31, 2011.....	13.50	27.34	44.88
August 31, 2011.....	13.50	27.17	44.84
September 30, 2011...	13.50	27.00	44.79
October 31, 2011.....	13.50	26.84	44.75
November 30, 2011.....	13.50	26.67	44.71
December 31, 2011.....	13.50	26.50	44.67

PRESCRIBED INTEREST RATES

	RECEIVER GENERAL PAYMENTS		ALL OTHER PURPOSES
	TO	FROM	
2009 - Q3	5%	3%	1%
	5%	3%	1%
	5%	3%	1%
	5%	3%	1%
2010 - Q1	5%	3%	1%
	5%	3%	1%
	5%	3%	1%
	5%	3%	1%
2011 - Q1	5%	3%	1%
	5%	3%	1%

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We are a full service accounting firm. Whatever your financial, accounting, tax or computer needs may be, we can be of assistance.

Our Services Include:

Audits	Business Plans
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Corporate Income Taxes	Estate Planning
Personal Income Taxes	Business Valuations
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Certified General Accountants

QUICK TAX
2011

**2010 FEDERAL AND BRITISH COLUMBIA
PERSONAL TAX CREDITS**

Amount of credits:	FEDERAL AMOUNT	TOTAL Fed/BC CREDIT
Basic personal credit (\$11,000 BC)	\$10,382	\$2,114
Age amount (Born 1945 or earlier; 65 and over)	1 6,446	1,180
Spousal/Partner and eligible dependants credit	2 10,382	2,046
Infirm dependants aged 18 or older	2 4,223	842
Caregiver credit	2 4,223	842
Amount for Children born 1993 or later - per child	3 2,101	315
Canada Employment amount (maximum)	4 1,051	158
Pension income (maximum) (BC Max = \$1,000)	4 2,000	351
Disability credit	7,239	1,443
Education – Full time - per month	5	80
Education – Part time - per month	5	24
Credits as a percentage of:		
CPP contributions	6	20.06%
El premiums	7	20.06%
Public transit passes (Federal credit only)	8	15.00%
Children's fitness amount (Federal credit only)	9	15.00%
Adoption expenses	10	20.06%
Tuition, education, textbook and student loans	5,11	20.06%
Medical expenses (in excess of 3% Net Income)	12	20.06%
Charitable donations - first \$200	13	20.06%
–remainder		43.70%

- The Age Credit begins to reduce when the taxpayers net income reaches \$32,506 / 31,413 and is fully reduced at \$75,479 / 59,546 (Federal / BC).
- The value of these tax credits is reduced whenever the dependant's income exceeds specific threshold amounts; the thresholds are \$0 / 965 for Spouse or Common-Law Partner; \$5,992 / 6,559 for Infirm Dependant; and \$14,422 / 13,936 for Caregiver Credit.
- Federal credit available for children under 18 (Born 1993 or later).
- Credits are lesser of qualifying income amounts and Federal maximums.
- In addition to tuition fees, a Full time student may also claim \$465 / \$200 per month enrolled; a Part-time student may claim \$140 / \$60 per month.
- Canada Pension Plan contribution is 4.95% of pensionable earnings. Basic exemption of \$3,500; Maximum CPP pensionable earnings are \$47,200.
- El contribution rate is 1.73%. Maximum insurable earnings are \$43,200.
- You may be able to claim weekly, monthly or annual transit passes which permit unlimited travel within Canada for you, your spouse or your children.
- You may claim up to a maximum of \$500 per child, fees paid during 2010 for children up to 16 years old in a specified program requiring physical activity.
- You may claim a credit for eligible adoption expenses related to the adoption of a child who is under the age of 18 up to a maximum of \$10,975.
- Tuition fees and educational credits are both transferable to a spouse, parent or grandparent. The maximum amount transferable is \$ 5,000 less the student's net income over \$ 10,382 / \$11,000. Unused amounts are available for carry forward by the student.
- Medical Expense Amount is equal to qualifying medical expenses in excess of 3% of net income or \$2,024 Federal, \$1,957 BC, whichever is greater.
- Charitable Donations may not exceed 75% of net income except in the event of death (100%). Excess amounts may be carried forward.
- The following amounts may be transferred from a spouse, to the extent that they are not needed to reduce his or her federal income tax to zero: age amount, pension amount, disability amount, amount for eligible children, tuition fees and education amount.
- OAS clawback begins at \$66,733 and is fully recovered at \$108,090.
- Working Income Tax Benefit (BC) For Singles: Income between \$4,750 and \$18,264; Max benefit (\$1,150) at \$11,500; For Family: Income between \$4,750 and \$26,235. Max benefit (\$1,825) at \$15,500.

Split numbers represent Federal / BC amounts



QUICK TAX

INDIVIDUAL MARGINAL RATES - 2010			
TAXABLE INCOME	Income	Dividends	
		Eligible	Regular
\$ 9,653 - \$ 17,354	15.00%	0.00%	0.00%
\$ 17,355 - \$ 35,859	20.06%	0.00%	4.16%
\$ 35,860 - \$ 40,970	22.70%	0.00%	7.46%
\$ 40,971 - \$ 71,719	29.70%	1.29%	16.21%
\$ 71,720 - \$ 81,941	32.50%	5.32%	19.71%
\$ 81,942 - \$ 82,342	36.50%	11.08%	24.71%
\$ 82,343 - \$ 99,987	38.29%	13.66%	26.95%
\$ 99,988 - \$ 127,021	40.70%	17.13%	29.96%
\$ 127,022 AND OVER	43.70%	21.45%	33.71%

2010 FEDERAL / BRITISH COLUMBIA INCOME TAX					
TAXABLE INCOME	TOTAL TAX	TAXABLE INCOME	TOTAL TAX	TAXABLE INCOME	TOTAL TAX
10,000	-	47,000	7,291	86,000	19,499
11,000	-	48,000	7,586	88,000	20,264
12,000	-	49,000	7,883	90,000	21,030
13,000	131	50,000	8,180	92,000	21,796
14,000	271	51,000	8,477	94,000	22,562
15,000	411	52,000	8,774	96,000	23,328
16,000	551	53,000	9,071	98,000	24,093
17,000	691	54,000	9,368	100,000	24,860
18,000	831	55,000	9,665	110,000	28,930
19,000	983	56,000	9,962	120,000	33,000
20,000	1,202	57,000	10,259	130,000	37,159
21,000	1,421	58,000	10,556	140,000	41,529
22,000	1,640	59,000	10,853	150,000	45,899
23,000	1,859	60,000	11,150	160,000	50,269
24,000	2,079	61,000	11,447	170,000	54,639
25,000	2,298	62,000	11,744	180,000	59,009
26,000	2,517	63,000	12,041	190,000	63,379
27,000	2,736	64,000	12,338	200,000	67,749
28,000	2,955	65,000	12,635	210,000	72,119
29,000	3,175	66,000	12,932	220,000	76,489
30,000	3,379	67,000	13,229	230,000	80,859
31,000	3,566	68,000	13,526	250,000	89,599
32,000	3,754	69,000	13,823	300,000	111,449
33,000	3,941	70,000	14,120	350,000	133,299
34,000	4,128	71,000	14,417	400,000	155,149
35,000	4,315	72,000	14,722	450,000	176,999
36,000	4,506	73,000	15,047	500,000	198,849
37,000	4,719	74,000	15,372	550,000	220,699
38,000	4,933	75,000	15,697	600,000	242,549
39,000	5,146	76,000	16,022	650,000	264,399
40,000	5,360	77,000	16,347	700,000	286,249
41,000	5,576	78,000	16,672	750,000	308,099
42,000	5,860	79,000	16,997	800,000	329,949
43,000	6,143	80,000	17,322	850,000	351,799
44,000	6,430	81,000	17,647	900,000	373,649
45,000	6,717	82,000	17,973	950,000	395,499
46,000	7,004	84,000	18,733	1,000,000	417,349

** Tax computations above reflect basic employment income with claims for the basic personal amount, applicable CPP & EI credits and also the \$1,051 Federal Employment Tax Credit. Other deductions and credits will reduce income taxes at the appropriate rates.

HARMONIZED SALES TAX

The GST/HST rates are:

- 13% HST in Ontario, New Brunswick and Newfoundland & Labrador.
- 12% HST in British Columbia
- 15% HST in Nova Scotia
- 5% GST in all other provinces and the territories.

Generally, goods sold and shipped anywhere in Canada bear GST/HST based on the rate of tax in the destination province, and services are taxed based on the customer's address, with some of the exceptions below:

- Goods sent for physical service, such as repair, alteration & cleaning are taxed based on where the goods are being returned after the physical service.
- Personal services such as hair stylists are taxed based on where they are performed.
- Professional, advisory or consulting services are not subject to personal services exception and are taxed based on the customer's address.
- Services in connection with litigation are taxed at provincial rate where provincial court is located.

GOVERNMENT / CRA CONTACT

CRA - Individual Taxes 1-800-959-8281
 CRA - Business Services 1-800-959-5525
 HRDC - CPP/OAS/GIS 1-800-277-9941
 BC Government Agencies (Enquiry BC) 604-660-2421

PLANNING AND FILING DEADLINES IN 2011

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 2010 taxation year.

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

May 2: File Personal Income Tax Returns for 2010 and remit balance due, if any, to CRA.

June 15: Due date for Personal Tax Returns of individuals with self-employed business income, or spouses/common-law partners with self-employed business income. (Payment of tax balance still due by May 2).

December 31: Of the year the taxpayer turns 71, is the final date to make RRSP contributions. It is also the deadline for such individuals to convert their RRSP's into either RRIF's or life annuities.

The information in this booklet is general in nature; it discusses tax rates and planning in a broad sense. Accordingly, it should not be used in the context of a unique set of facts. Consult your local office of EPR in order to ensure you receive the appropriate advice as it relates to your individual circumstances.