

2020 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 for the majority of passenger vehicles, and \$55,000 plus taxes for zero-emission 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 (\$0.59 - 2021) for the first 5,000 kilometres driven and \$0.53 (\$0.53 - 2021) for each additional kilometre.

2020 / 2019 AVERAGE EXCHANGE RATES

COUNTRY	CURRENCY	2020	2019
United States	Dollar	1.3415	1.3269
European Union	Euro	1.5298	1.4856
United Kingdom	Pound Sterling	1.7199	1.6945
Japan	Yen	0.0126	0.0122

2021 / 2020 PAYROLL DEDUCTIONS

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

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, 2019.....	11.00	27.00
January 31, 2020.....	11.00	27.00	50.67
February 29, 2020.....	11.00	27.00	50.67
March 31, 2020.....	11.00	27.00	50.67
April 30, 2020.....	11.00	27.00	50.67
May 31, 2020.....	11.00	27.00	50.67
June 30, 2020.....	11.00	27.00	50.67
July 31, 2020.....	11.00	27.00	50.67
August 31, 2020.....	11.00	27.00	50.67
September 30, 2020...	11.00	27.00	50.67
October 31, 2020.....	11.00	27.00	50.67
November 30, 2020.....	11.00	27.00	50.67
December 31, 2020....	11.00	27.00	50.67

PRESCRIBED INTEREST RATES

		RECEIVER GENERAL PAYMENTS		ALL OTHER PURPOSES
		TO	FROM	
2018 -	Q1	5%	3%	1%
2018 -	Q2, Q3, Q4	6%	4%	2%
2019 -	ALL QTRS	6%	4%	2%
2020 -	Q1, Q2	6%	4%	2%
2020 -	Q3, Q4	5%	3%	1%

GOODS & SERVICES / HARMONIZED SALES TAX RATES

15% HST in Nova Scotia, New Brunswick, Prince Edward Island, and Newfoundland & Labrador

13% HST in Ontario

5% GST in BC and all other provinces and the territories

Our Mission: We are committed to continually gaining a deeper insight and understanding of our clients and their needs. We are dedicated to supporting and assisting each of our clients achieve success in their business purposes. We strive to offer and deliver services of quality and excellence, services designed to enhance client performance and value.

Our firm is member of AGN International, a global association of separate and independent accounting and advisory businesses. www.agn.org.

Our Professional Services Include:

Financial Statements:

Audits
Reviews
Compilations

Taxation:

Corporate Income Taxes
Personal Income Taxes
Trust & Estate Taxes
GST/HST/PST
SR&ED
Non-Resident

Advisory Services:

Business Acquisitions
Business Valuation
Corporate Reorganizations
Business Succession
Financial Restructuring
Business Plans
Budget Preparation
Will and Estate Planning
Personal Tax Planning
Feasibility Studies
Acquisitions / Dispositions



CHARTERED PROFESSIONAL ACCOUNTANTS

MAPLE RIDGE

22377 Dewdney Trunk Road, Maple Ridge, BC V2X 3J4
Telephone: (604) 467-5561

Local Partners

PATRICK SMITH, CPA, CGA psmith@eprcpa.ca
KATHI HALPIN, CPA, CGA khalpin@eprcpa.ca
JOHN THOMSON, CPA, CGA jthomson@eprcpa.ca
JEFFREY CAWKER, CPA, CGA jcawker@eprcpa.ca

LANGLEY

21542 48 Avenue, Langley, BC V3A 3M5
Telephone: (604) 534-1441

Local Partners

PAUL WALKER, FCPA, FCGA pwalker@eprcpa.ca
CHRISTINE KISS, CPA, CGA ckiss@eprcpa.ca

NORTH LANGLEY

#204-8047 199 Street, Langley, BC V2Y 0E2
Telephone: (604) 888-4200

Local Partners

PAUL WALKER, FCPA, FCGA pwalker@eprcpa.ca
JOHN THOMSON, CPA, CGA jthomson@eprcpa.ca
JEFFREY CAWKER, CPA, CGA jcawker@eprcpa.ca

Website: www.eprcpa.ca



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The information in this booklet is general in nature; it discusses tax rates and planning matter in a broad sense. Consult your local EPR office in order to receive specific advice appropriate to your individual situation.



Maple Ridge Langley

Chartered Professional Accountants

QUICK TAX
2021

2020 FEDERAL AND BRITISH COLUMBIA PERSONAL TAX CREDITS		
Amount of credits:	FEDERAL AMOUNT	TOTAL Fed/BC CREDIT
Basic personal credit (\$10,949 BC)	\$13,229	\$2,538
Age credit (Born 1954 or earlier; 65 and over)	1 7,637	1,394
Spousal/Partner and eligible dependants credit	2 13,229	2,538
Canada Caregiver credit	2,3 7,276	1,334
Canada Caregiver credit - child under 18	3 2,273	341
Canada employment amount (maximum)	4 1,245	187
Pension income (maximum) (BC max = \$1,000)	4 2,000	351
Disability credit	8,576	1,702
Disability supplement - child under 18	5 5,003	4,791
Credits as a percentage of:		
CPP contributions and EI premiums	6	20.06%
Adoption expenses	7	20.06%
Tuition and eligible student loan interest	8	20.06%
Medical expenses (in excess of limitations)	9	20.06%
Charitable donations - first \$200	10	20.06%
- remainder		43.70%

- The Age credit begins to reduce when the taxpayer's net income reaches \$38,508 / \$36,552 and is fully reduced at \$89,421 / \$69,285 (Federal / BC).
- The value of these tax credits is reduced whenever the dependant's income exceeds specific threshold amounts; the thresholds are \$0 / \$938 for Spouse or Common-Law Partner; and \$17,085 / \$16,215 for Canada Caregiver Credit.
- A credit up to a maximum of \$7,276 may be claimed for an infirm spouse, eligible dependant over 18, and certain adult relatives. The credit is limited to \$2,273 for infirm children under 18 years of age.
- Credits are the lesser of qualifying income amounts and Federal maximums.
- For taxpayers under the age of 18 at the end of the tax year, a disability supplement of \$5,003 / \$4,791 is available. The supplement is reduced by amounts claimed for medical expenses, child or attendant care.
- Canada Pension Plan contribution is 5.25% of pensionable earnings. Basic exemption of \$3,500; Maximum CPP pensionable earnings are \$58,700. EI contribution rate is 1.58%. Maximum insurable earnings are \$54,200.
- 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 \$16,563.
- Tuition fees are transferable to eligible individuals. The maximum transfer is \$5,000 less the student's net income over \$13,229 / \$10,949. The student may carry forward unused amounts.
- Medical expenses are first reduced by \$2,397 / \$2,277 (Federal / BC) or 3% of Net Income, whichever is less, in order to calculate allowable amount.
- Charitable donations may not exceed 75% of net income except in the event of death (100%). Excess amounts may be carried forward for 5 years.
- 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 income amount, disability amount,
- Canada workers benefit (CWB) For Singles: Income below \$24,572; Max benefit (\$1,381) at \$8,312; For Family: Income below \$37,173. Max benefit (\$2,379) at \$12,150.
- OAS clawback begins at \$79,054 and is fully recovered at \$128,149. Split numbers represent Federal / BC amounts

QUICK TAX

INDIVIDUAL MARGINAL RATES - 2020			
TAXABLE INCOME	Dividends		
	Income	Eligible	Regular
\$ 13,229 - \$ 20,365	15.00%	0.00%	4.61%
\$ 20,366 - \$ 41,725	20.06%	0.00%	10.42%
\$ 41,726 - \$ 48,535	22.70%	0.00%	13.46%
\$ 48,536 - \$ 83,451	28.20%	1.63%	19.79%
\$ 83,452 - \$ 95,812	31.00%	5.49%	23.01%
\$ 95,813 - \$ 97,069	32.79%	7.96%	25.06%
\$ 97,070 - \$ 116,344	38.29%	15.55%	31.39%
\$ 116,345 - \$ 150,473	40.70%	18.88%	34.16%
\$150,474 - \$157,748	43.92%	23.32%	37.86%
\$157,749 - \$214,368	46.02%	26.22%	40.28%
\$ 214,369 - \$220,000	49.80%	31.44%	44.63%
220,001 AND OVER	53.50%	36.54%	48.88%

2020 TAXABLE INCOME WITH BASIC EXEMPTION					
TAXABLE INCOME	TOTAL TAX	TAXABLE INCOME	TOTAL TAX	TAXABLE INCOME	TOTAL TAX
10,000	-	34,000	3,643	80,000	15,297
11,000	-	36,000	4,040	82,500	16,002
12,000	-	38,000	4,414	85,000	16,746
13,000	-	40,000	4,788	90,000	18,296
14,000	-	42,000	5,165	95,000	19,846
15,000	-	44,000	5,592	100,000	21,620
16,000	93	46,000	6,018	105,000	23,535
17,000	232	48,000	6,445	110,000	25,449
18,000	372	50,000	6,944	115,000	27,364
19,000	512	52,000	7,480	120,000	29,362
20,000	652	54,000	8,016	125,000	31,397
21,000	791	56,000	8,558	130,000	33,432
22,000	975	58,000	9,101	140,000	37,502
23,000	1,197	60,000	9,657	150,000	41,572
24,000	1,419	62,000	10,221	175,000	52,889
25,000	1,642	64,000	10,785	200,000	64,394
26,000	1,864	66,000	11,349	225,000	76,473
27,000	2,087	68,000	11,913	250,000	89,848
28,000	2,309	70,000	12,477	300,000	116,598
29,000	2,531	72,500	13,182	500,000	223,598
30,000	2,754	75,000	13,887	750,000	357,348
32,000	3,198	77,500	14,592	1,000,000	491,098

*Tax computations reflect general employment income with applicable credits for basic personal exemption, Canada employment amount, CPP and EI credits. Other credits may apply.

DIVIDEND INCOME WITH DIVIDEND TAX CREDIT					
DIVIDEND	REGULAR	ELIGIBLE	ACTUAL DIVIDEND	REGULAR	ELIGIBLE
	DIVIDEND	DIVIDEND		DIVIDEND	DIVIDEND
20,000	-	-	100,000	15,695	7,641
30,000	589	-	125,000	24,204	11,204
40,000	1,746	-	150,000	33,764	14,667
50,000	3,586	-	200,000	54,866	30,179
60,000	5,565	1,358	250,000	79,309	48,450
70,000	7,544	3,148	500,000	201,525	139,807
80,000	9,763	4,651	750,000	323,741	231,163
90,000	12,556	6,146	1,000,000	445,957	322,520

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

2020/2021 CHANGES

Effective 2020

- a non-refundable tax credit is available for eligible digital news subscriptions up to \$500.
- eligible employees who work more than 50% from home for at least four weeks due to the COVID-19 pandemic, can claim \$2 a day for each day worked from home to a maximum of \$400 per individual.
- the Canada Training credit will provide a refundable tax credit up to \$250 per year for up to half the cost of courses or training programs taken by eligible workers between 25 and 65.
- effective October 2020, the B.C. Child Opportunity Benefit replaced the B.C. Early Childhood Tax Benefit. The new benefit will provide an income sensitive monthly payment to families with children up to the age of 18.

Effective 2021

- the taxable benefit for personal use of an automobile where the employer pays the operating expenses will be \$0.27 (2020 \$0.28)
- the CPP rate increased to 5.45% with the maximum pensionable earnings of \$61,600.
- the 2021 RRSP contribution limit of \$27,830 is reached with earned income of \$154,611 (2020 \$ 27,230 and \$151,277).
- the 2021 TFSA contribution limit remains at \$6,000.
- Proposed for 2021, the Canada Child Benefit will provide additional quarterly payments of \$300/child under the age of six for families with a net annual income under \$120,000 (\$150/child over \$120,000 net annual income).

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

PLANNING AND FILING DEADLINES IN 2021

March 1: 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.

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 RRFs or Life Annuities in a taxpayer's 71st year.

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			