

2025 AUTOMOBILE DEDUCTION LIMITS

Effective January 1, 2025, the following passenger vehicle limits apply:
Maximum cost for CCA purposes has increased to \$38,000 plus taxes for the majority of passenger vehicles, and remained at \$61,000 plus taxes for zero-emission passenger vehicles.

Ceiling on deductible leasing costs increased to \$1,100 plus taxes.

The limit on allowable interest deduction for amounts borrowed to purchase an automobile remains at \$350 per month.

The limit on tax-exempt kilometers allowances increased to \$0.72 for the first 5,000 kilometers driven and \$0.66 for each additional kilometer.

2024 / 2023 AVERAGE EXCHANGE RATES

COUNTRY	CURRENCY	2024	2023
United States	Dollar	1.3698	1.3497
European Union	Euro	1.4818	1.4597
United Kingdom	Pound Sterling	1.7504	1.6784
Japan	Yen	0.0091	0.0096

2025 / 2024 PAYROLL DEDUCTIONS

	2025	2024
CPP Max Pensionable Earnings Tier 1	\$71,300.00	\$68,500.00
Basic Annual Exemption	\$ 3,500.00	\$ 3,500.00
Contribution Rate	5.95%	5.95%
Max Employee Contribution (a)	\$ 4,034.10	\$ 3,867.50
CPP2 Max Pensionable Earnings Tier 2	\$81,200.00	\$73,200.00
Less Pensionable Earnings Tier 1	\$71,300.00	\$68,500.00
Contribution Rate	4.00%	4.00%
Max Employee Contribution (b)	\$ 396.00	\$ 188.00
Total Employee Contribution (a+b)	\$ 4,430.10	\$ 4,055.50
EI Max Annual Insurance Earnings	\$65,700.00	\$63,200.00
Premium Rate	1.64%	1.66%
Max Employee Annual Premium	\$ 1,077.48	\$ 1,049.12

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, 2024.....	11.00	27.00	50.67
2025 All Months	11.00	27.00	50.67

PRESCRIBED INTEREST RATES

		RECEIVER GENERAL PAYMENTS		ALL OTHER PURPOSES
		TO	FROM	
2022 - Q3	6%	4%	2%	
2022 - Q4	7%	5%	3%	
2023 - Q1	8%	6%	4%	
2023 - Q2, Q3, Q4	9%	7%	5%	
2024 - Q1, Q2	10%	8%	6%	
2024 - Q3, Q4	9%	7%	5%	
2025 - Q1	8%	6%	4%	

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: To be a trusted advisor to our clients, providing strategic solutions that will build their business and give them peace of mind.

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:

- ▶ **Tax**
 - Tax Planning & Advisory
 - Tax Reporting & Compliance Filings
 - Personal, Corporate & Estate Tax
 - Succession & Estate Compliance
 - Cross-border Tax
- ▶ **Advisory**
 - Corporate Structuring & Reorganizations
 - Business & Financial Planning
 - Succession & Estate Planning
 - Mergers and Acquisitions
- ▶ **Accounting**
 - Financial Reporting & Compilations
 - Tax Reporting
 - Bookkeeping
 - Payroll
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 - Audit & Review Engagements
 - Financial Reporting & Accounting Advisory
 - Accounting Standards for Private Enterprise
 - Accounting Standards for Not-for-Profit
 - Canadian Auditing Standards
 - Other Assurance Engagements

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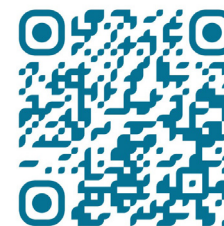
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The information in this booklet is general in nature; it discusses tax rates and planning matter in a broad sense. Consult your local Empire office in order to receive specific advice appropriate to your individual situation.

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**QUICK TAX
2025**



**2024 FEDERAL AND BRITISH COLUMBIA
PERSONAL TAX CREDITS**

Amount of credits:	FEDERAL AMOUNT	TOTAL Fed/ BC CREDIT
Basic personal credit (\$12,580 BC)	1 \$15,705	2,992
Age credit (Born 1958 or earlier; 65 and over)	2 8,790	1,604
Spousal/Partner and eligible dependants credit	3 15,705	2,901
Canada Caregiver credit	3,4 8,375	1,535
Canada Caregiver credit - child under 18	4 2,616	392
Canada employment amount (maximum)	5 1,433	215
Pension income (maximum) (BC max = \$1,000)	5 2,000	351
Disability credit	9,872	1,958
Disability supplement - child under 18	6 5,758	1,142
Credits as a percentage of:		
CPP contributions and EI premiums	7	20.06%
Adoption expenses	8	20.06%
Tuition and eligible student loan interest	9	20.06%
Medical expenses (in excess of limitations)	10	20.06%
Charitable donations - first \$200	11	20.06%
- remainder		45.80%

- The federal basic personal amount is gradually reduced when the taxpayer's net income reaches \$173,705 and is fully reduced to \$14,156 when net income exceeds \$246,752.
- The Age credit begins to reduce when the taxpayer's net income reaches \$44,325 / \$41,993 and is fully eliminated at \$102,925/ \$79,600 (Federal / BC).
- The value of these tax credits is reduced whenever the dependant's income exceeds specific threshold amounts; the thresholds are \$0 / \$1,078 for Spouse or Common-Law Partner; and \$19,666 / \$18,629 for Canada Caregiver Credit.
- A credit up to a maximum of \$8,375 may be claimed for an infirm spouse, eligible dependant over 18, and certain adult relatives. The credit is limited to \$2,616 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 \$5,758 / \$5,505 is available. Supplements are reduced by amounts claimed for medical expenses, child or attendant care.
- Canada Pension Plan contribution is 5.95% of pensionable earnings. Basic exemption-\$3,500; Max CPP pensionable earnings are \$68,500 for Tier 1. CPP Tier 2 is 4% of pensionable earnings. Max CPP Tier 2 earnings are \$73,200 EI contribution rate is 1.66%. Max. insurable earnings are \$63,200.
- 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 \$19,066.
- Tuition fees are transferable to eligible individuals. The maximum transfer is \$5,000 less the student's net income over \$15,705 / \$12,580. The student may carry forward unused amounts.
- Medical expenses are first reduced by \$2,759 / \$2,616 or 3% of Net Income, whichever is less.
- 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 caregiver amount for infirm children under 18 years of age and tuition amount.
- Canada workers benefit (CWB) For Singles: Income below \$35,095; Max benefit (\$1,518) at \$24,975; For Family: Income below \$45,934. Max benefit (\$2,616) at \$28,494.
- OAS clawback begins at \$90,997 and is fully eliminated at \$148,451 (Age 65 to 74) or \$154,196 (Age 75 and over).

Split numbers represent Federal / BC amounts



QUICK TAX

INDIVIDUAL MARGINAL RATES - 2024			
TAXABLE INCOME	Income	Dividends	
		Eligible	Regular
\$ 15,706 - \$ 23,390	15.00%	0.00%	4.61%
\$ 23,391 - \$ 47,937	20.06%	0.00%	10.42%
\$ 47,938 - \$ 55,867	22.70%	0.00%	13.46%
\$ 55,868 - \$95,875	28.20%	1.63%	19.79%
\$ 95,876 - \$ 110,076	31.00%	5.49%	23.01%
\$ 110,077 - \$111,733	32.79%	7.96%	25.06%
\$ 111,734 - \$ 133,664	38.29%	15.55%	31.39%
\$ 133,665 - \$ 173,205	40.70%	18.88%	34.16%
\$ 173,206 - \$ 181,232	44.08%	23.02%	37.61%
\$ 181,233 - \$ 246,752	45.80%	25.92%	40.03%
\$ 246,753 - \$ 252,752	49.80%	31.44%	44.63%
\$ 252,753 AND OVER	53.50%	36.54%	48.88%

*marginal rates adjusted to reflect reduction of enhanced federal personal amount

2024 TAXABLE INCOME WITH BASIC EXEMPTION					
TAXABLE INCOME	TOTAL TAX	TAXABLE INCOME	TOTAL TAX	TAXABLE INCOME	TOTAL TAX
10,000	-	34,000	2,922	80,000	13,922
11,000	-	36,000	3,363	82,500	14,627
12,000	-	38,000	3,804	85,000	15,332
13,000	-	40,000	4,245	90,000	16,742
14,000	-	42,000	4,619	95,000	18,152
15,000	-	44,000	4,989	100,000	19,654
16,000	-	46,000	5,360	105,000	21,204
17,000	-	48,000	5,731	110,000	22,754
18,000	-	50,000	6,143	115,000	24,511
19,000	94	52,000	6,566	120,000	26,426
20,000	232	54,000	6,989	125,000	28,340
21,000	371	56,000	7,412	130,000	30,255
22,000	509	58,000	7,923	140,000	34,216
23,000	648	60,000	8,454	150,000	38,286
24,000	787	62,000	8,986	175,000	48,493
25,000	937	64,000	9,521	200,000	59,873
26,000	1,157	66,000	10,059	225,000	71,402
27,000	1,378	68,000	10,598	250,000	83,020
28,000	1,599	70,000	11,138	300,000	109,637
29,000	1,819	72,000	11,815	500,000	216,637
30,000	2,040	75,000	12,512	750,000	350,387
32,000	2,481	77,500	13,217	1,000,000	484,137

*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 DIVIDEND	ELIGIBLE DIVIDEND	ACTUAL DIVIDEND	REGULAR DIVIDEND	ELIGIBLE DIVIDEND
20,000	-	-	100,000	13,264	3,579
30,000	248	-	125,000	21,356	7,367
40,000	1,180	-	150,000	29,898	12,276
50,000	2,565	-	200,000	49,888	23,742
60,000	4,544	-	250,000	72,872	42,013
70,000	6,523	-	500,000	195,088	133,370
80,000	8,503	622	750,000	317,304	224,726
90,000	10,695	2,064	1,000,000	439,520	316,083

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

2025 CHANGES

- The 2025 RRSP contribution room limit of \$32,490 is reached with earned income of \$180,500 (2024 \$31,560 and \$175,333).
- The 2025 TFSA contribution limit remained at \$7,000. Any withdrawals made during the year are added back to the contribution room in the following year.
- For 2025, the second limit of CPP will increase earnings to \$81,200 (2024 \$73,200) with an additional maximum contribution of \$396 each for employee and employer.
- The CPP rate remains at 5.95% with the maximum pensionable earnings of \$71,300 (2024 \$68,500).
- The EI rate decreased to 1.64% (2024 1.66%) with the maximum pensionable earnings of \$65,700 (2024 \$63,200).
- The taxable benefit for personal use of an automobile where the employer pays the operating expense is increased to \$0.34 (2024 \$0.33).
- Effective January 1, 2025, British Columbia introduced the BC Home Flipping tax which is a 20% tax applied on profits of a property owned less than 730 days, with pro-rata reduction in the second year.

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 2025

- Feb 28:** Last day to issue T4's, T4A's and T5's.
- Feb 28:** Last day to make personal and spousal RRSP contributions applicable to the 2024 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 2024 and remit balance due, if any, to CRA.
- June 16:** 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 RRIFs 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