



CPA

CHARTERED
PROFESSIONAL
ACCOUNTANTS
CANADA

CFE CANDIDATE NUMBER:

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**Common Final Examination
September 9, 2025 – Day 1
(Booklet #1 – MEI Version 1)**

Total examination time: 4 hours.

Further details on the examination can be found on the next page.

GENERAL INSTRUCTIONS BEFORE THE EXAMINATION

1. Fill in your candidate number on the booklets. The examination booklets (or paper response, as instructed) must be submitted before leaving the examination writing centre. They must NOT BE REMOVED from the writing centre. If these items are not received, the response may not be accepted.
2. Follow the instructions provided. Instructions must not be removed from the writing centre.
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CANDIDATE NAME (Please print)

SIGNATURE

Examination Details

The examination consists of:

Booklet #1 – Linked Case (240 minutes) (this booklet)

Booklet #2 – Capstone 1 Case (for reference) and rough notes

The case should be answered using the examination software provided, which includes a word processor and spreadsheet for inputting your response. The main body of your response should be in the word processor file. Only supporting calculations should appear in the spreadsheet file, in **Sheet 1**. All financial tables in the case with ten lines or more have been preloaded into the spreadsheets that follow Sheet 1. Those spreadsheets are in read-only mode. You must copy and paste the financial information into your Sheet 1, where you can then do all your calculations. You are responsible for clearly explaining all your calculations.

Answers or part answers will not be evaluated if they are recorded on anything other than the examination software or, in the event of computer failure, the CPA Canada writing paper provided.

Rough-note paper is available in a separate booklet, which also includes a copy of the Capstone 1 case for reference only. Rough notes, and any other notations made in the examination booklets, will not be evaluated.

The CPA Canada Handbooks, the *Income Tax Act* and the *Excise Tax Act* are available in the examination software throughout the entire examination. These materials provide the standards in effect and tax laws substantively enacted as at December 31, 2024.

A tax shield formula and other relevant tax information are available at the end of this booklet.

Candidates are instructed to consider and respond to the examination questions as presented even though the circumstances described in the examination questions may not be reflective of the current environment.
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Case**(Suggested time: 240 minutes)**

It is April 11, 2027, and you, CPA, are still working at Gordon & Wadhwa Consulting LLP (GWC). Meadowlark Entertainment Inc. (MEI) has again engaged GWC to assist with its strategic analysis and planning.

After GWC's last engagement with MEI in 2025, MEI's Board of Directors decided to accept Eddycational Video Games Ltd.'s (EVG) proposal to collaborate on the creation of a video game based on MEI's *Building Burt* series. The game has been very well received by the existing fan base of *Building Burt* and is expected to continue to generate revenue until at least 2029. The success of the game also brought renewed interest in the *Building Burt* TV series, which saw an increase in viewership subsequent to the video game's release.

Despite the increase in viewership for *Building Burt*, the broadcaster recently notified MEI that it will be cancelling *Building Burt* and MEI's two other children's series within the next two to four years.

At present, with its three children's series still airing new episodes, and after the successful release of the company's third documentary, *A Family Bike*, MEI's income has never been higher. However, with the anticipated cancellation of the children's series, and because no new documentaries are currently in development, MEI's board is eager to develop the company's next character.

As a result, Max has devoted himself over the course of the past year to creating the company's next character franchise. At MEI's last board meeting, he presented the details of what he thinks could be the company's most successful character to date: *Archeologist Alex*. The rest of MEI's board was equally excited, and agreed to make the *Archeologist Alex* character franchise a cornerstone of the company's future.

The board's goal for its current engagement with GWC is to create a rollout strategy for *Archeologist Alex*. To accomplish this, MEI first needs to identify which platform option—either a feature film, video game, streaming series, or YouTube channel—would be the best way to introduce *Archeologist Alex* to MEI's audience. Next, because MEI can only develop one new project at a time, the board wants to plan which platform options the company should prioritize for the future products and releases related to the *Archeologist Alex* character franchise.

To invest in new projects, MEI secured a new revolving line of credit with Bertram Bank. The revolving line has a limit of \$10 million, with interest at prime plus 5%. In addition, the debt agreement specifies that, if there is an outstanding amount owing, MEI is prohibited from paying a dividend to its shareholders until the balance is fully paid off. MEI's weighted average cost of capital is 12%.

Although MEI updated its vision and mission statements to include video games, the board remains dedicated to releasing content that educates and entertains both children and parents. The company's core values have not changed.

MEI's board has asked you, CPA, to review the information provided and draft a report that discusses MEI's main strategic considerations, and includes a strategic analysis and recommendation for each proposal presented. For this engagement, ignore any tax implications within your analysis and recommendations.

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APPENDIX I
BOARD MEETING WITH CPA IN ATTENDANCE

April 11, 2027

Annie: Hello everyone, and thank you for joining us today, CPA. We have a lot to discuss, so let's get started.

Our current task is to establish the best way to introduce and then build the new *Archeologist Alex* character franchise. Our goal is to ensure that the character franchise becomes popular and grows for many years to come. To achieve this, MEI will need to utilize multiple platforms in order to increase the audience's exposure to, and engagement with, the character.

Josie: That's right, Annie. Our success with the *Building Burt* video game shows there's a big opportunity to use an existing character franchise and its fan base to launch new products across various platforms. However, the long-term success of *Archeologist Alex* will depend on which platform we use to introduce the character. It's important that we maximize audience size, as that will help ensure the success of any future products or releases related to the character franchise.

Francois: Agreed, Josie. We also need to pay close attention to any agreements related to the new character franchise before we sign. Entering into an overly restrictive agreement is a significant threat because it could reduce the creative control we have over the character, as well as the overall financial benefit the character franchise will generate for MEI.

Max: I'm glad you mentioned that. I understand that no agreement is perfect and we will need to make compromises, but maintaining as much creative control as possible is a priority.

Josie: Yes, Max. Some compromise is unavoidable, but we should negotiate any agreement to ensure the terms are favourable to MEI. And as Francois said, we should also prioritize maintaining as much future earning potential as possible. As you know, to finance the rollout of *Archeologist Alex*, we will need to use our new line of credit from Bertram Bank. It's our goal to pay off the line of credit as quickly as possible so we can begin to pay ourselves a dividend in the near future.

APPENDIX I (CONTINUED)
BOARD MEETING WITH CPA IN ATTENDANCE

April 11, 2027

Annie: Excellent—we all agree on our goals and priorities. Now let's explore our first option for *Archeologist Alex*. Francois, please go ahead.

Francois: I am excited to say that Galactic Pictures (Galactic), a well-known Hollywood film producer, is interested in working with MEI to produce a feature film starring *Archeologist Alex*. The film would be called *Archeologist Alex Goes to Egypt*, and if we accept Galactic's agreement, would be released to movie theatres all over North America.

Josie: This project sounds exciting, but producing a feature film is very expensive. I am not sure MEI can afford it.

Francois: To help support the production process, Galactic would help finance the costs of production and would give MEI access to their extensive distribution network and list of preferred contractors. Over the past two years, Galactic has released several films that were box office hits.

Annie: That might be true, Francois, but they have also released films that were not overly successful. Because *Archeologist Alex* is not yet known, I don't think we can expect a box office hit. As well, if the film is not well received or gets negative reviews, I'm worried that would damage the character's long-term appeal.

Max: Working with Galactic's team would be an incredible experience for MEI, and we would learn so much. Plus, with their support, I am confident we could develop a great film.

Francois: And if it does well, the film could get picked up and shown in international theatres. This would significantly increase the film's audience size and revenue. Galactic also said that a successful first release would almost guarantee future sequels.

APPENDIX I (CONTINUED)
BOARD MEETING WITH CPA IN ATTENDANCE

April 11, 2027

Josie: Releasing a feature film like this would certainly generate a lot of publicity for the character franchise. We could use that marketing opportunity to our advantage.

Francois: Good point, Josie. As well, for any future *Archeologist Alex* content that's released to streaming, Galactic's proposed agreement would enable MEI to work with Galactic's preferred streaming service, which is one of the best in the business.

Annie: That does sound attractive. But the film would take a long time to produce, and unless people go see it multiple times, it won't provide our audience with frequent or ongoing exposure to the character.

Max: This type of production would also be new to MEI. Having Galactic by our side throughout the process would definitely help, but we would still have so much to learn.

This is one reason why I think we should consider developing another video game with EVG. We could use what we learned from the *Building Burt* game to replicate that success. I spoke with EVG's creative director, and we are both excited about the potential to develop the new character franchise's first video game: *Archeologist Alex and the Dinosaurs*.

Annie: Interesting idea, Max. Tell us more about the game.

Max: Although simple, the game would be highly engaging. It would be puzzle-based, and each new level would be slightly more difficult. As the players advance through the game, they would develop new skills and learn about dinosaurs and the prehistoric world. Especially in the more difficult levels, kids would have to work with their parents to solve the puzzle.

Josie: It was great working with EVG the first time, and we now know that both companies can work well together to produce a popular product.

APPENDIX I (CONTINUED)
BOARD MEETING WITH CPA IN ATTENDANCE

April 11, 2027

Max: That's true, and because of the game's simple design, it would be easy to release additional puzzles that would help keep players engaged. Plus, add-ons like this could help increase the revenue the video game generates.

Francois: Developing this game would be more challenging than the *Building Burt* video game. We had years of existing *Building Burt* content that we were able to repurpose for its video game.

Max: You're right. It was helpful to have the existing *Building Burt* content to guide and improve the development process.

Josie: Plus, a lot of fans of the *Building Burt* TV series bought the video game as soon as it was released. We were able to market the game directly to viewers of the show.

Annie: That's true, but the *Building Burt* video game also introduced new people to the TV series. As well, an online fan community has emerged around the *Building Burt* video game, with people discussing how best to complete each level.

Josie: I also like EVG's proposed agreement because all revenue and costs are split equally between the two companies. That ensures that, if the game is really successful, MEI would earn its fair share of the profit.

Annie: Agreed, Josie. Although the market size for video games is smaller than films or streaming shows, the game would allow players to personally engage with *Archeologist Alex*. That would help build a devoted fan base.

Josie, please introduce the next option.

APPENDIX I (CONTINUED)
BOARD MEETING WITH CPA IN ATTENDANCE

April 11, 2027

- Josie: SkyFlix Inc. (SkyFlix), a streaming company that specializes in fictional and non-fictional shows for children and teenagers, wants MEI to produce an *Archeologist Alex* children's show that would stream exclusively on SkyFlix's network. SkyFlix's proposed agreement is ongoing, meaning SkyFlix would license each season of the new show as long as the size of its audience stays above a minimum threshold.
- Max: It's great that SkyFlix's targeted audience is the same as MEI's. As well, producing a children's show aligns well with MEI's core competency. We could use our existing network of contractors to help produce the new show.
- Josie: Agreed, Max. And because of our experience with children's shows, we clearly understand the costs associated with producing this type of content. Our ability to produce an accurate budget would help reduce our risk.
- Annie: Many new streaming companies have entered the market in the last few years. This means there is a lot of competition among these companies to find and license the best shows. With MEI's history of past success, I am sure other streaming companies would be interested in licensing the *Archeologist Alex* series. What makes SkyFlix's offer attractive?
- Josie: SkyFlix has agreed to heavily promote the *Archeologist Alex* show to the subscribers of their network. Especially for a new character franchise, this increased exposure is invaluable. Plus, the show would have no problem meeting SkyFlix's minimum audience size threshold. Even our older shows like *Building Burt* still attract an audience well above what SkyFlix requires. I anticipate the show would air on SkyFlix's network for at least four seasons, and potentially many more if we decide to keep using SkyFlix's network.
- Max: A streaming series would give us the opportunity to develop the *Archeologist Alex* character over the course of the episodes. It would also give our audience more exposure to the character.

APPENDIX I (CONTINUED)
BOARD MEETING WITH CPA IN ATTENDANCE

April 11, 2027

Francois: I know some streaming companies enable merchandise sales directly on their platform. Is that the case for SkyFlix?

Josie: No, SkyFlix currently does not have that feature.

Francois: How many subscribers does SkyFlix have? Is their service widely available?

Josie: Although I don't know how many subscribers they have, SkyFlix is relatively new but growing fast. Their service is available throughout North America. That means *Archeologist Alex* could attract a large audience.

Annie: Thanks, Josie. Let me introduce our last option, which is to create an official *Archeologist Alex* YouTube channel. Because people from all over the world regularly use YouTube, this option presents a significant opportunity to reach a huge audience. However, as of this year, only two of the most popular YouTube channels released a feature film in movie theatres.

Francois: A YouTube channel would give us a lot of flexibility over the type of content we release, and we could release new content as frequently as we want. Also, many successful YouTube channels generate fan-supported communities.

Max: This option would ensure that MEI retains full creative control over the direction of the character franchise. That being said, we don't have experience with this type of format and don't know what contributes most to a successful channel. It would take time to discover the best way to attract and engage YouTube's audience.

Josie: I know many new YouTube channels pay to promote their content directly on YouTube. This type of promotion is sometimes the only way to get their content noticed.

APPENDIX I (CONTINUED)
BOARD MEETING WITH CPA IN ATTENDANCE

April 11, 2027

- Annie: YouTube's promotional tools would allow us to target specific audience segments based on interests and demographics. That way, we could ensure our advertising budget is effectively used to reach our target audience and maximize exposure to *Archeologist Alex*.
- Josie: That's good because the revenue earned from YouTube depends on how many people watch the channel. For example, reaching a million subscribers is a major milestone for YouTube, but based on my research, only the most successful channels achieve that within the first four years.
- Francois: Rather than create new and unique content for YouTube, I know many production companies post clips from popular films or TV shows that they previously released. This helps maintain a frequent content release schedule, which increases visibility and helps foster growth. Fans particularly like bonus content like bloopers, behind the scenes footage, and extra scenes that were not released with the original content.
- Max: Some video game companies have also built a large audience on YouTube by releasing videos specific to their games. For example, fans love watching videos that show experts playing their favourite game. This helps players learn more about the game and improve their own performance.
- Josie: It seems like there is a lot of potential for MEI to use YouTube effectively. In fact, we should have started a channel for each one of MEI's current children's shows a long time ago.
- Annie: I agree, Josie. Okay, let's wrap up today's meeting. If we want *Archeologist Alex* to have long-term success, we need to carefully consider the best way to grow the character franchise, and how to best negotiate any agreements before we enter into them. CPA, we look forward to reading your report. Meeting adjourned.

APPENDIX II INDUSTRY UPDATE

Advancements in video and editing technology, such as the ability to create videos using artificial intelligence (AI), have made content production easier and more affordable. This has lowered the barriers to entry for video-sharing websites such as YouTube, which has seen an increase in the number of content creators uploading new content. These technologies have also affected streaming services in that, at present, there is more content available via streaming services than ever before. As a result, it has become increasingly difficult for new shows to get noticed on these platforms without a significant amount of promotion and advertisement.

Recent research has shown that audiences are more likely to form a lasting emotional bond with, and develop a preference for, content and characters that are seen with more regularity. This type of high-frequency interaction is made even more powerful if audiences are able to personally engage with the content. This is one reason why the popularity of video games continues to grow among all age groups. In addition, the frequent release of new content has been shown to boost engagement and increase the likelihood of a fan community forming around a program or character. Fan-supported communities also give content producers easier access to feedback provided by fans, which can be used to improve the quality of future releases.

The popularity of films viewed both at home and in theatres continues to increase. Box office revenues have increased each year over the past five years, a trend that is expected to continue for the foreseeable future. Films produced in North America are also increasingly being exported around the world as the demand for high-quality films, such as the ones produced in Hollywood, grows. However, this success has largely been limited to the most anticipated film releases, as many recent films have struggled to capture a large audience or earn a significant profit.

The trend of parents seeking children's products with educational aspects has also continued to grow. Parents are especially drawn to products that help their children develop new skills and improve their problem-solving abilities.

APPENDIX III
PRODUCE FEATURE FILM WITH GALACTIC

Prepared by Francois

The production of *Archeologist Alex Goes to Egypt* is expected to take two and a half years, and would be released in 2030. The estimated total costs of the film during its development, as well as throughout its main revenue-generating period (2030 and 2031), are as follows:

Cost	2027 (\$)	2028 (\$)	2029 (\$)	2030 (\$)	2031 (\$)
Production	3,825,000	12,375,000	6,300,000	0	0
Marketing	0	0	900,000	3,050,000	550,000
Distribution	0	0	0	720,000	540,000

The box office revenue the film generates depends on the number of tickets sold. In the following table, Galactic provided an estimate of the number of tickets that the film could sell in North America, depending on the size of the audience the film attracts:

Audience Size	2030	2031
Box office hit	7,500,000	2,000,000
Average	3,000,000	800,000
Low	1,400,000	370,000

Excerpts from Galactic's proposed agreement are as follows:

- MEI will pay 30% of the costs associated with the film's production, marketing, and distribution, and Galactic will pay the remaining 70%.
- For each film ticket sold, MEI will earn \$3.25.
- For a period of five years after the film's release, Galactic will be entitled to 70% of the revenue generated by the film's subsequent release to streaming, and to 70% of the merchandise sales associated with *Archeologist Alex Goes to Egypt*.
- The film must be released to Galactic's preferred streaming service after its exit from theatres. Any subsequent streaming shows based on *Archeologist Alex* will also be restricted to this streaming service for a period of five years.
- Although Galactic's creative team will work with MEI during the film's development, MEI will have veto power over the film's direction if the creative teams disagree.

**APPENDIX IV
DEVELOP VIDEO GAME WITH EVG**

Prepared by Max

It will take approximately 18 months to develop the *Archeologist Alex and the Dinosaurs* video game, during which time the following estimated costs will be incurred:

Cost	2027 (\$)	2028 (\$)
Pre-production	350,000	0
Animation	600,000	300,000
Software development	1,750,000	1,000,000
Music licensing	0	165,000
Other	45,000	45,000

The video game will be released in 2029 and is expected to be on the market until 2031. The following estimated costs will be incurred during 2029:

Cost	Amount (\$)
Puzzle development	255,000
Software development	550,000
Marketing	850,000
Distribution	75,000

Both the annual puzzle development and software development costs are expected to increase by 5% per year, while the marketing and distribution costs are expected to remain stable. Based on the number of units sold for the *Building Burt* video game, the *Archeologist Alex* video game is expected to sell 325,000, 670,000, and 450,000 units during 2029, 2030, and 2031, respectively. Each unit will be sold for \$12.50.

Excerpts from EVG's proposed agreement are as follows:

- All revenues and costs associated with the video game will be split equally between EVG and MEI.
- Decisions for both the creative and game-play elements of the video game will be made jointly between EVG and MEI.
- MEI will retain all intellectual property and revenue rights for other products and productions related to the *Archeologist Alex* character franchise.

APPENDIX V
RELEASE STREAMING SERIES ON SKYFLIX

Prepared by Josie

Each year, a new season of the *Archeologist Alex* series will air on SkyFlix's streaming network. It will take approximately one year to develop each season of the show, and the first season will be delivered to SkyFlix in 2028. SkyFlix will pay MEI \$6.5 million for each season of the show once MEI completes and delivers the content to SkyFlix.

Each season of the *Archeologist Alex* streaming series is expected to incur the following development costs, beginning in 2027:

Cost	Amount (\$)
Pre-production	600,000
Film and sound crew	1,950,000
Script development	645,000
Actors	1,150,000
Sound engineers and music	350,000
Post-production editing	1,300,000

Not included in the above is any amount that MEI pays to independently promote the *Archeologist Alex* series. For approximately \$500,000 per year, MEI could market the series, which is likely to increase the show's viewership considerably. All the development costs associated with the *Archeologist Alex* series are expected to increase by 5% per year.

Excerpts from SkyFlix's proposed agreement are as follows:

- MEI will pay for the development costs of each season of the series.
- SkyFlix will prominently feature and promote the *Archeologist Alex* series on its streaming network during the show's first four seasons.
- For as long as the *Archeologist Alex* series airs on SkyFlix's network, in addition to the revenue generated directly by the show, SkyFlix will be entitled to 20% of all revenue that the character franchise generates.
- SkyFlix guarantees to continue licensing new seasons of the *Archeologist Alex* series as long as the show's viewership numbers remain above an average of 150,000 per episode.

APPENDIX VI
CREATE YOUTUBE CHANNEL WITH UNIQUE CONTENT

Prepared by Annie

MEI will need at least one year to create new and unique *Archeologist Alex* content prior to releasing it on YouTube. Given the unknown and uncertain variables related to the creation and growth of a successful YouTube channel, it has been challenging to create a definitive budget for this project. Our best estimate of the development costs MEI is likely to incur, should the company develop new and unique content for YouTube, is as follows:

Cost	First Year Development Costs (\$)	Ongoing Annual Development Costs (\$)
Story and script	645,000	439,000
Content production	1,600,000	950,000
Actors	1,150,000	1,200,000
Animation	900,000	420,000
Social media specialists	300,000	315,000
Other	350,000	200,000

The ongoing annual development costs are expected to increase by 5% per year. There are many possible ways that MEI could eventually monetize the *Archeologist Alex* YouTube channel, and the revenue that MEI ultimately generates depends on the type of advertisers and sponsors that wish to promote their products via the content that MEI releases. Based on my research, I was able to estimate the revenue this project could generate based on the channel's potential number of subscribers, detailed in the table below:

Revenue	10,000–100,000 Subscribers (\$)	100,001–1,000,000 Subscribers (\$)	Over 1,000,000 Subscribers (\$)
Ads	175,000	820,000	1,900,000
Sponsorship	425,000	1,150,000	1,680,000
Merchandise sales	785,000	1,525,000	3,225,000

End of Examination

**CPA COMMON FINAL EXAMINATION
REFERENCE SCHEDULE**

Present Value of Tax Shield for Amortizable Assets

Present value of total tax shield from CCA for a new asset acquired on or after January 1, 2024, and before January 1, 2028, other than those eligible for immediate expensing, which would normally be subject to the half-year rule.

$$= \frac{CdT}{(d+k)}$$

Present value of total tax shield from CCA for a new asset acquired after November 20, 2018, and before January 1, 2024, or, under proposed legislation, on or after January 1, 2025, and before January 1, 2030, other than those eligible for immediate expensing.

$$= \frac{CdT}{(d+k)} \left(\frac{1+1.5k}{1+k} \right)$$

Notation for above formula:

C = net initial investment

T = corporate tax rate

k = discount rate or time value of money

d = maximum rate of capital cost allowance

Selected Prescribed Automobile Amounts

Item	2024	2025
Maximum depreciable cost — Class 10.1	\$37,000 + sales tax	\$38,000 + sales tax
Maximum depreciable cost — Class 54	\$61,000 + sales tax	\$61,000 + sales tax
Maximum monthly deductible lease cost	\$1,050 + sales tax	\$1,100 + sales tax
Maximum monthly deductible interest cost	\$350	\$350
Operating cost benefit — employee	33¢ per km of personal use	34¢ per km of personal use
Non-taxable automobile allowance rates		
— first 5,000 kilometres	70¢ per km	72¢ per km
— balance	64¢ per km	66¢ per km

Individual Federal Income Tax Rates

For 2024:

If taxable income is between	Tax on base amount	Tax on excess
\$0 and \$55,867	\$0	15%
\$55,868 and \$111,733	\$8,380	20.5%
\$111,734 and \$173,205	\$19,833	26%
\$173,206 and \$246,752	\$35,815	29%
\$246,753 and any amount	\$57,144	33%

For 2025:

If taxable income is between	Tax on base amount	Tax on excess
\$0 and \$57,375	\$0	15%
\$57,376 and \$114,750	\$8,606	20.5%
\$114,751 and \$177,882	\$20,368	26%
\$177,883 and \$253,414	\$36,782	29%
\$253,415 and any amount	\$58,687	33%

Selected indexed amounts for purposes of computing income tax

Personal tax credits are a maximum of 15% of the following amounts:

Item	2024	2025
Basic personal amount, and spouse, common-law partner, or eligible dependant amount for individuals whose net income for the year is greater than or equal to the amount at which the 33% tax bracket begins	\$14,156	\$14,538
Basic personal amount, and spouse, common-law partner, or eligible dependant amount for individuals whose net income for the year is less than or equal to the amount at which the 29% tax bracket begins	15,705	16,129
Age amount if 65 or over in the year	8,790	9,028
Net income threshold for age amount	44,325	45,522
Canada employment amount	1,433	1,471
Disability amount	9,872	10,138
Canada caregiver amount for children under age 18, and addition to spouse, common-law partner, or eligible dependant amount with respect to the Canada caregiver amount	2,616	2,687
Canada caregiver amount for other infirm dependants age 18 or older (maximum amount)	8,375	8,601
Net income threshold for Canada caregiver amount	19,666	20,197
Adoption expense credit limit	19,066	19,580

Other indexed amounts are as follows:

Item	2024	2025
Medical expense tax credit — 3% of net income ceiling	\$2,759	\$2,834
Old age security repayment threshold	90,997	93,454
Annual TFSA dollar limit	7,000	7,000
RRSP dollar limit	31,560	32,490
Lifetime capital gains exemption		1,250,000
Lifetime capital gains exemption for dispositions before June 25	1,016,836	
Lifetime capital gains exemption for dispositions after June 24	1,250,000	

Prescribed interest rates (base rates)

Year	Jan. 1 – Mar. 31	Apr. 1 – June 30	July 1 – Sep. 30	Oct. 1 – Dec. 31
2025	4	4	3	
2024	6	6	5	5
2023	4	5	5	5

This is the rate used for taxable benefits for employees and shareholders from interest-free and low-interest loans. The rate is 4 percentage points higher for overdue income taxes payments and unremitted withholdings. The rate is 2 percentage points higher for tax refunds to taxpayers, with the exception of corporations, for which the base rate is used.

Maximum capital cost allowance rates for selected classes

Class	Rate	Additional information
Class 1	4%	For all buildings except those below
Class 1	6%	For buildings acquired for first use after March 18, 2007, and \geq 90% of the square footage is used for non-residential activities
Class 1	10%	For buildings acquired for first use after March 18, 2007, and \geq 90% of the square footage is used for manufacturing and processing activities
Class 8	20%	
Class 10	30%	
Class 10.1	30%	
Class 12	100%	
Class 13	N/A	Straight line over original lease period plus one renewal period (minimum 5 years and maximum 40 years)
Class 14	N/A	Straight line over length of life of property
Class 14.1	5%	For property acquired after December 31, 2016
Class 17	8%	
Class 29	50%	Straight-line
Class 43	30%	
Class 44	25%	
Class 45	45%	
Class 50	55%	
Class 53	50%	
Class 54	30%	

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