

CPA CFE REFERENCE SCHEDULE 2018

1. PRESENT VALUE OF TAX SHIELD FOR AMORTIZABLE ASSETS

Present value of Total Tax Shield from CCA for a New Asset

$$= \frac{CTd}{(d+k)} \left(\frac{2+k}{2(1+k)} \right) = \frac{CdT}{(d+k)} \left(\frac{1+0.5k}{1+k} \right)$$

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

2. SELECTED PRESCRIBED AUTOMOBILE AMOUNTS

	2017	2018
Maximum depreciable cost - Class 10.1	\$30,000 + sales tax	\$30,000 + sales tax
Maximum monthly deductible lease cost	\$800 + sales tax	\$800 + sales tax
Maximum monthly deductible interest cost	\$300	\$300
Operating cost benefit - employee	25¢ per km of personal use	26¢ per km of personal use
Non-taxable automobile allowance rates		
- first 5,000 kilometres	54¢ per km	55¢ per km
- balance	48¢ per km	49¢ per km

3. INDIVIDUAL FEDERAL INCOME TAX RATES

For 2017

<u>If taxable income is between</u>	<u>Tax on base amount</u>	<u>Tax on excess</u>
\$0 and \$45,916	\$0	15%
\$45,917 and \$91,831	\$6,887	20.5%
\$91,832 and \$142,253	\$16,300	26%
\$142,254 and \$202,800	\$29,436	29%
\$202,801 and any amount	\$46,965	33%

For 2018

<u>If taxable income is between</u>	<u>Tax on base amount</u>	<u>Tax on excess</u>
\$0 and \$46,605	\$0	15%
\$46,606 and \$93,208	\$6,991	20.5%
\$93,209 and \$144,489	\$16,544	26%
\$144,490 and \$205,842	\$29,877	29%
\$205,843 and any amount	\$47,670	33%

4. SELECTED INDEXED AMOUNTS FOR PURPOSES OF COMPUTING INCOME TAX

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

	2017	2018
Basic personal amount	\$11,635	\$11,809
Spouse, common-law partner, or eligible dependant amount	11,635	11,809
Age amount if 65 or over in the year	7,225	7,333
Net income threshold for age amount	36,430	36,976
Canada employment amount	1,178	1,195
Disability amount	8,113	8,235
Canada Caregiver amount (CCA)		
(dependants relatives with infirmities/disabilities)	6,883	6,986
(spouse and minor children)	2,150	2,182
Net income threshold for CCA	16,163	16,405
Adoption expense credit limit	15,670	15,905

Other indexed amounts are as follows:

	2017	2018
Medical expenses tax credit - 3% of net income ceiling	\$2,268	\$2,302
Annual TFSA dollar limit	5,500	5,500
RRSP dollar limit	26,010	26,230
Lifetime capital gains exemption on qualified small business corporation shares	835,716	848,252

5. PRESCRIBED INTEREST RATES (base rates)

<u>Year</u>	<u>Jan. 1 - Mar. 31</u>	<u>Apr. 1 - June 30</u>	<u>July 1 - Sept. 30</u>	<u>Oct. 1 - Dec. 31</u>
2018	1	2		
2017	1	1	1	1
2016	1	1	1	1

This is the rate used for taxable benefits for employees and shareholders, low-interest loans and other related-party transactions. The rate is 4 percentage points higher for late or deficient income tax payments and unremitted withholdings. The rate is 2 percentage points higher for tax refunds to taxpayers with exception of corporations, for which the base rate is used.

6. MAXIMUM CAPITAL COST ALLOWANCE RATES FOR SELECTED CLASSES

Class 1	4%	for all buildings, except those below
Class 1	6%	for non-residential buildings acquired for first use after March 18, 2007
Class 1	10%	for manufacturing and processing buildings acquired for first use after March 18, 2007
Class 8	20%	
Class 10	30%	
Class 10.1	30%	
Class 12	100%	
Class 13		Original lease period plus one renewal period (minimum 5 years and maximum 40 years)
Class 14		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%	