

# CPA COMMON FINAL EXAMINATION

## CFE REFERENCE SCHEDULE 2019

### 1. PRESENT VALUE OF TAX SHIELD FOR AMORTIZABLE ASSETS

Present value of Total Tax Shield from CCA for a new asset acquired before November 21, 2018

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

Present value of Total Tax Shield from CCA for a new asset acquired after November 20, 2018

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

**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

### 2. SELECTED PRESCRIBED AUTOMOBILE AMOUNTS

	<b>2018</b>	<b>2019</b>
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	26¢ per km of personal use	28¢ per km of personal use
Non-taxable automobile allowance rates		
- first 5,000 kilometres	55¢ per km	58¢ per km
- balance	49¢ per km	52¢ per km

### 3. INDIVIDUAL FEDERAL INCOME TAX RATES

#### 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%

#### For 2019

<u>If taxable income is between</u>	<u>Tax on base amount</u>	<u>Tax on excess</u>
\$0 and \$47,630	\$0	15%
\$47,631 and \$95,259	\$7,145	20.5%
\$95,260 and \$147,667	\$16,908	26%
\$147,668 and \$210,371	\$30,535	29%
\$210,372 and any amount	\$48,719	33%

### 4. SELECTED INDEXED AMOUNTS FOR PURPOSES OF COMPUTING INCOME TAX

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

	<b>2018</b>	<b>2019</b>
Basic personal amount	\$11,809	\$12,609
Spouse, common-law partner, or eligible dependant amount	11,809	12,609
Age amount if 65 or over in the year	7,333	7,494
Net income threshold for age amount	36,976	37,790
Canada employment amount	1,195	1,222
Disability amount	8,235	8,416
Canada Caregiver amount		
(for children under age 18)	2,182	2,230
(for other infirm dependants age 18 or older)	6,986	7,140
Net income threshold for Canada Caregiver amount	16,405	16,766
Adoption expense credit limit	15,905	16,255

Other indexed amounts are as follows:

	<b>2018</b>	<b>2019</b>
Medical expenses tax credit - 3% of net income ceiling	\$2,302	\$2,352
Annual TFSA dollar limit	5,500	6,000
RRSP dollar limit	26,230	26,500
Lifetime capital gains exemption on qualified small business corporation shares	848,252	866,912

## 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>
2019	2	2		
2018	1	2	2	2
2017	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 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.....		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%	