

CPA COMMON FINAL EXAMINATION

CFE REFERENCE SCHEDULE 2022

1. PRESENT VALUE OF TAX SHIELD FOR AMORTIZABLE ASSETS

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

	2021	2022
Maximum depreciable cost - Class 10.1	\$30,000 + sales tax	\$34,000 + sales tax
Maximum depreciable cost - Class 54	\$55,000 + sales tax	\$59,000 + sales tax
Maximum monthly deductible lease cost	\$800 + sales tax	\$900 + sales tax
Maximum monthly deductible interest cost	\$300	\$300
Operating cost benefit - employee	27¢ per km of personal use	29¢ per km of personal use
Non-taxable automobile allowance rates		
- first 5,000 kilometres	59¢ per km	61¢ per km
- balance	53¢ per km	55¢ per km

3. INDIVIDUAL FEDERAL INCOME TAX RATES

For 2021

<u>If taxable income is between</u>	<u>Tax on base amount</u>	<u>Tax on excess</u>
\$0 and \$49,020	\$0	15%
\$49,021 and \$98,040	\$7,353	20.5%
\$98,041 and \$151,978	\$17,402	26%
\$151,979 and \$216,511	\$31,426	29%
\$216,512 and any amount	\$50,141	33%

For 2022

<u>If taxable income is between</u>	<u>Tax on base amount</u>	<u>Tax on excess</u>
\$0 and \$50,197	\$0	15%
\$50,198 and \$100,392	\$7,530	20.5%
\$100,393 and \$155,625	\$17,820	26%
\$155,626 and \$221,708	\$32,180	29%
\$221,709 and any amount	\$51,344	33%

4. SELECTED INDEXED AMOUNTS FOR PURPOSES OF COMPUTING INCOME TAX

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

	2021	2022
Basic personal amount and spouse, common-law partner, or eligible dependant amount for individuals		
(if net income (NI) \geq 33% tax bracket)	\$12,421	\$12,719
(if net income (NI) \leq 29% tax bracket)	13,808	14,398
Age amount if 65 or over in the year	7,713	7,898
Net income threshold for age amount	38,893	39,826
Canada employment amount	1,257	1,287
Disability amount	8,662	8,870
Canada Caregiver amount		
(for children under age 18)	2,295	2,350
(for other infirm dependants age 18 or older)	7,348	7,525
Net income threshold for Canada Caregiver amount	17,256	17,670
Adoption expense credit limit	16,729	17,131

Other indexed amounts are as follows:

	2021	2022
Medical expenses tax credit - 3% of net income ceiling	\$2,421	\$2,479
Annual TFSA dollar limit	6,000	6,000
RRSP dollar limit	27,830	29,210
Lifetime capital gains exemption on qualified small business corporation shares	892,218	913,630

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>
2022	1	1	2	
2021	1	1	1	1
2020	2	2	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.....	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%	
Class 55.....	40%	
Class 56.....	30%	