

# **TAX APPENDIX 2004**

## **MAXIMUM CAPITAL COST ALLOWANCE RATES FOR SELECTED CLASSES**

|                  |  |
|------------------|--|
| Class 1 .....    | 4%   |
| Class 3 .....    | 5%   |
| Class 8 .....    | 20%  |
| Class 10 .....   | 30%  |
| Class 10.1 ..... | 30%  |
| Class 12 .....   | 100%   |
| Class 13 .....   | original lease period plus one renewal<br>period (Minimum 5 years and Maximum 40<br>years) |
| Class 14 .....   | Length of life of property   |
| Class 17 .....   | 8%   |
| Class 39 .....   | 25%  |
| Class 43 .....   | 30%  |
| Class 44 .....   | 25%  |
| Class X .....    | 45%  |

## **SELECTED PRESCRIBED AUTOMOBILE AMOUNTS**

|  |                                   |
|--|-----------------------------------|
| Maximum depreciable cost - Class 10.1    | \$30,000 + GST                    |
| Maximum monthly deductible lease cost    | \$800 + GST                       |
| Maximum monthly deductible interest cost | \$300                             |
| Operating cost benefit - employee        | 17¢ per kilometre of personal use |
| Non-taxable car allowance benefit limits |                                   |
| - first 5,000 km                         | 42¢ per kilometre                 |
| - balance                                | 36¢ per kilometre                 |

## **2004 INDIVIDUAL FEDERAL INCOME TAX RATES**

### Income Tax Rate Schedule - Individuals

| <u>Taxable Income</u> | <u>Tax</u>                      |
|-----------------------|---------------------------------|
| \$35,000 or less      | 16%                             |
| \$35,001 to \$70,000  | \$ 5,600 + 22% on next \$35,000 |
| \$70,001 to \$113,804 | \$13,300 + 26% on next \$43,805 |
| \$113,805 or more     | \$24,689 + 29% on remainder     |

# **TAX APPENDIX 2004 (continued)**

## **2004 SELECTED NON-REFUNDABLE TAX CREDITS PERMITTED TO INDIVIDUALS FOR PURPOSES OF COMPUTING INCOME TAX**

The tax credits are 16% of the following amounts:

|  |         |
|--|---------|
| Basic personal amount                                    | \$8,012 |
| Married and equivalent to spouse amount                  | 6,803   |
| Net income threshold for married or equivalent amount    | 681     |
| Age 65 or over in the year                               | 3,912   |
| Disability amount  | 6,486   |
| Disabled dependents who reach 18 in the year             | 3,784   |
| Net income threshold for disabled dependents 18 and over | 5,368   |
| Basic amount for:  |         |
| Age credit and GST credit                                | 29,124  |
| Child tax benefit  | 35,000  |
| OAS clawback   | 59,790  |

## **CORPORATE FEDERAL INCOME TAX RATE**

The tax payable by a corporation under Part I of the Income Tax Act on its taxable income is 38% before any additions and/or any deductions.

## **PRESCRIBED INTEREST 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> |
|-------------|-------------------------|-------------------------|--------------------------|-------------------------|
| 2004        | 5                       | 5                       | 4                        | 5                       |
| 2003        | 5                       | 5                       | 6                        | 5                       |
| 2002        | 5                       | 4                       | 5                        | 5                       |
| 2001        | 8                       | 8                       | 7                        | 7                       |
| 2000        | 7                       | 8                       | 8                        | 8                       |
| 1999        | 7                       | 7                       | 7                        | 7                       |

The rate is 2 percentage points higher for late or deficient income tax payments and unremitted withholdings.

The rate is 2 percentage points lower for deemed interest on employee and shareholder loans.