

# The Butler / Laing Group at ScotiaMcLeod – 2007 Quick Reference Card

## 2006- FEDERAL, PROVINCIAL INCOME TAX FOR INDIVIDUALS

Taxable Income	British Columbia	Alberta	Saskatchewan	Manitoba	Ontario	Quebec	New Brunswick	Nova Scotia	Prince Edward Island	Newfoundland & Labrador	Nunavut	Northwest Territories	Yukon
20,000	2,376	2,212	2,957	3,039	2,405	2,710	2,858	2,824	2,936	3,033	2,066	2,182	2,524
25,000	3,441	3,475	4,270	4,347	3,470	4,147	4,104	4,026	4,188	4,324	3,028	3,240	3,638
30,000	4,506	4,737	5,582	5,654	4,535	5,635	5,351	5,254	5,441	5,638	3,991	4,297	4,753
35,000	5,610	6,000	6,895	7,100	5,608	7,272	6,677	6,764	6,863	7,208	4,953	5,367	5,867
40,000	7,074	7,507	8,500	8,807	7,072	9,113	8,425	8,518	8,560	9,023	6,269	6,804	7,322
45,000	8,632	9,107	10,250	10,607	8,630	11,031	10,266	10,366	10,350	10,931	7,719	8,334	8,906
50,000	10,189	10,707	12,000	12,407	10,187	12,950	12,107	12,213	12,140	12,839	9,169	9,864	10,490
55,000	11,747	12,307	13,750	14,207	11,745	14,868	13,948	14,061	13,973	14,747	10,619	11,394	12,074
60,000	13,304	13,907	15,500	16,007	13,302	16,890	15,789	15,922	15,832	16,692	12,069	12,924	13,658
70,000	16,483	17,107	19,000	19,777	16,590	21,127	19,524	19,789	19,821	20,856	14,969	16,016	16,826
80,000	20,192	20,596	22,790	24,006	20,736	25,605	23,665	23,946	24,148	25,310	18,303	19,725	20,427
90,000	24,162	24,196	26,690	28,346	25,077	30,176	27,917	28,366	28,585	29,875	21,803	23,545	24,229
100,000	28,191	27,796	30,590	32,686	29,418	34,747	32,169	32,863	33,022	34,439	25,303	27,365	28,030
110,000	32,261	31,396	34,543	37,026	33,759	39,318	36,438	37,388	37,459	39,003	28,803	31,142	31,831
120,000	36,382	35,048	38,694	41,418	38,151	43,932	40,973	41,965	41,947	43,619	32,398	35,198	35,707
130,000	40,752	38,948	43,094	46,058	42,792	48,754	45,557	46,790	46,684	48,483	36,448	39,503	39,947
140,000	45,122	42,848	47,494	50,698	47,433	53,575	50,241	51,615	51,421	53,347	40,498	43,808	44,187
150,000	49,492	46,748	51,894	55,338	52,074	58,397	54,925	56,440	56,158	58,211	44,548	48,113	48,427
200,000	71,342	66,248	73,894	78,538	75,279	82,504	78,345	80,565	79,843	82,532	64,798	69,638	69,626
300,000	115,042	105,248	117,894	124,938	121,689	130,719	125,185	128,815	127,213	131,174	105,298	112,688	112,024
400,000	158,742	144,248	161,894	171,338	168,098	178,934	172,025	177,065	174,583	179,816	145,798	155,738	154,422
500,000	202,442	183,248	205,894	217,738	214,508	227,149	218,865	225,315	221,953	228,457	186,298	198,788	196,820
750,000	311,692	280,748	315,894	333,738	330,532	347,687	335,965	345,940	340,378	350,062	287,548	306,413	302,815
1,000,000	420,942	378,248	425,894	449,738	446,556	468,224	453,065	466,565	458,803	471,666	388,798	414,038	408,810

### Top Marginal Rates %

Capital Gains	21.85	19.50	22.00	23.20	23.20	24.11	23.42	24.13	23.69	24.32	20.25	21.53	21.20
Other Income	43.70	39.00	44.00	46.40	46.41	48.22	46.84	48.25	47.37	48.64	40.50	43.05	42.40

• The top marginal rates on dividends have not been included in this table. The May 2, 2006 federal budget proposed various changes to the existing dividend tax regime. Under the proposal, effective January 1, 2006, the gross-up of "eligible dividends" is increased from 25% to 45% and the dividend tax credit will be increased from 13.33% of the grossed-up dividend to 19%. It is uncertain at this time if the provinces and territories (with the exception of Quebec) will make any changes to the provincial taxation of dividends. The combined top marginal rates on dividends, when available, will be included in an updated edition of Quick Tax Facts.

• This table cannot be used if taxable income includes Canadian dividends.

• Tax was calculated using the information available up to May 17, 2006 and incorporates proposed changes announced in the federal, provincial and territorial budgets. Tax includes federal, provincial, and territorial tax (and surtax, where applicable), but excludes minimum tax.

• All provinces and territories are using a "Tax-on-Income" system and apply provincial and territorial tax rates to taxable income. Tax for non-residents is calculated at 48% of basic federal tax.

• In calculating tax, only the basic personal refundable credits, both federal and provincial/territorial, have been considered. The non-refundable credits for EI and CPP/QPP contributions, the northern resident deduction, low income tax reductions and credits and refunds of GST and provincial sales taxes have not been considered.

• This table does not include the Ontario Health Premium. For the 2006 taxation year, the premium will vary from \$0 for individuals having a taxable income of \$20,000 or less to a maximum of \$900 when the taxable income is \$200,600 or higher.

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- **YOUR INSURANCE** such as: Buy Sell Agreements, Permanent Insurance, Disability Insurance and Critical Illness Insurance
- **YOUR ESTATE PLANNING** such as: joint accounts, wills, power of attorneys, trust – inter vivos (alter ego and joint spousal) and testamentary, U.S estate tax, probate fees, planned giving, charitable foundations

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## MAXIMUM RRSP CONTRIBUTION LIMITS

Year	Maximum Limit
2007	\$19,000
2008	\$20,000
2009	\$21,000
2010	\$22,000
2011	Indexed

**Note:** Annual RRSP contributions are limited to the lesser of 18% of your earned income from the prior year or the annual maximum contribution noted above.

## NON-RESIDENT TAX

NRT applies when:  
Dividends are paid to a non-resident of the country in which the security resides or Canadian interest earned on credit balances is paid to a non-resident.

## DIVIDENDS ON CANADIAN EQUITIES

15% Treaty Country,  
25% Non-treaty Country

## DIVIDENDS ON U.S. EQUITIES

15% Treaty Country  
30% Non-treaty Country  
*(For a detailed listing of treaty countries and other withholding rates please contact a Financial Planning Consultant)*

## CPP/QPP & OAS

- Maximum CPP/QPP benefit for 2007: \$863.75/month
- Maximum OAS pension for 2007: \$491.93/month (changes quarterly)
- For 2007, the threshold at which the OAS clawback starts is \$63,511 of net income (including OAS)
- OAS will be entirely clawed back if your net income exceeds \$102,865

## PROBATE RATES

Province	Estate size	Fee/tax
British Columbia	All estates exceeding \$25,000 in value	Filing fee \$208
	\$25,000-\$50,000	0.60%
	Over \$50,000	1.40%
Alberta	First \$10,000	\$25
	\$10,001 - \$249,999	Progressive to \$300
	Over \$250,000	\$400 (maximum)
Saskatchewan	All Estates	0.70%
	Manitoba	First \$10,000 Over \$10,000
Ontario	First \$50,000	0.50%
	Over \$50,000	1.50%
Quebec	Notarial Wills	No fee
	Holograph or Witnessed	> \$100
	New Brunswick	First \$5,000 \$5,001 to \$20,000 Over \$20,000
Nova Scotia	First \$10,000	\$70
	\$10,001 to \$100,000	Progressive to \$820
	Over \$100,000	\$820 + \$13.85/\$1,000
Prince Edward Island	First \$10,000	\$50
	\$10,001 to \$100,000	Progressive to \$400
	Over \$100,000	\$400 + 0.40%
Newfoundland	First \$1,000	\$85
	Over \$1,000	\$85 + \$5.00/\$1,000
Yukon	\$50,000 or less	\$7/\$1,000
	\$50,001 or more	\$140
Northwest Territories (includes Nunavut)	Less than \$10,000	\$25
	\$10,000-\$250,000	Progressive to \$300
	\$250,001 or more	\$400

## U.S. ESTATE TAX

- Canadian residents may be subject to U.S. estate tax on their property (real property, U.S. pension plans, U.S. corporation shares and certain bonds).
- Tax is levied on the fair market value of the property.
- Canadian residents are entitled to a pro rated unified credit based on the portion of their U.S. assets to their worldwide assets. For 2004 and 2005 the credit of U.S. \$555,800 translates into a U.S. \$1,500,000 exemption equivalent
- See below for U.S. Estate Tax Rates for 2004

Column A Taxable amount over (U.S.\$)	Column B Taxable amount not over (U.S.\$)	Column C Tax on amount in column A (U.S.\$)	Column D Tax rate on excess amount A (%)
0	10,000	0	18
10,000	20,000	1,800	20
20,000	40,000	3,800	22
40,000	60,000	8,200	24
60,000	80,000	13,000	26
80,000	100,000	18,200	28
100,000	150,000	23,800	30
150,000	250,000	38,800	32
250,000	500,000	70,800	34
500,000	750,000	155,800	37
750,000	1,000,000	248,300	39
1,000,000	1,250,000	345,800	41
1,250,000	1,500,000	448,300	43
1,500,000	2,000,000	555,800	45
2,000,000	--	780,800	49

## Maximum Rates

45% in 2007, 2008, 2009  
2010 – Estate tax repealed

## RRIF MINIMUM WITHDRAWAL AMOUNTS

(Fair market value of RRIF multiplied by prescribed factors below)

Age on Jan 1	General	Qualifying RRIFs
70	5.00%	5.00%
71	7.38%	5.26%
72	7.48%	5.56%
73	7.59%	5.88%
74	7.71%	6.25%
75	7.85%	6.67%
76	7.99%	7.14%
77	8.15%	7.69%
78	8.33%	8.33%
79	8.53%	8.53%
80	8.75%	8.75%
81	8.99%	8.99%
82	9.27%	9.27%
83	9.58%	9.58%
84	9.93%	9.93%
85	10.33%	10.33%
86	10.79%	10.79%
87	11.33%	11.33%
88	11.96%	11.96%
89	12.71%	12.71%
90	13.62%	13.62%
91	14.73%	14.73%
92	16.12%	16.12%
93	17.92%	17.92%
94 or older	20.00%	20.00%

## Notes:

- For ages below 70, the formula is 1 / (90-age)
- A qualifying RRIF is generally a registered retirement income fund entered into before 1993

## SPOUSAL RRSP RULES

- Any amounts that may be contributed to an individual's own plan under his or her personal deduction limit may be contributed to a spousal plan instead.
- For a 2007 withdrawal, the contributor declares income if contributions were made to a spousal RRSP in 2005, 2006 or 2007
- Contributions to a spousal RRSP may be made by an individual up to and including the year the spouse turns 69.

## ATTRIBUTION RULES

	Gift	No or low-interest loan	Loan at prescribed or commercial rate
<b>Spouse</b>			
Income	Attributed to 'giftor'	Attributed to lender	No attribution
Capital gains	Attributed to 'giftor'	Attributed to lender	No attribution
Second Generation Income	No attribution	No attribution	No attribution
<b>Child under 18</b>			
Income	Attributed to 'giftor'	Attributed to lender	No attribution
Capital gains	No attribution	No attribution	No attribution
Second Generation Income	No attribution	No attribution	No attribution
<b>Child Over 18</b>			
Income	No attribution	No attribution	No attribution
Capital gains	No attribution	No attribution	No attribution
Second Generation Income	No attribution	No attribution	No attribution

## WITHHOLDING TAX RATES FOR RRSP AND RRIF WITHDRAWALS

Amount	All provinces excluding Quebec	Quebec
Up to \$5,000	10%	21%
\$5,000.01 - \$15,000	20%	30%
Above \$15,000	30%	35%

## Notes:

1. There is no withholding tax on RRIF minimum amounts
2. As of Jan. 1, 2005, Quebec will apply a flat 16% withholding tax on all RRIF withdrawals including RRIF minimums. Federal withholding tax rates will be added on RRIF withdrawals in excess of RRIF minimums of up to \$5,000, \$5,001 to \$15,000, and over \$15,000 respectively.

