

ONTARIO

2007 COMBINED FEDERAL AND ONTARIO PERSONAL INCOME TAX RATES¹

TAXABLE INCOME		ONTARIO				
LOWER LIMIT	UPPER LIMIT	BASIC TAX ²	RATE ON EXCESS	MARGINAL RATE ON		
				ELIGIBLE DIVIDEND INCOME ³	OTHER DIVIDEND INCOME ³	CAPITAL GAINS ⁴
\$ -	to \$ 8,929	\$ -	- %	- %	- %	- %
8,930	to 11,826	-	15.50	-	2.71	7.75
11,827	to 15,098	449	27.60	-	5.01	13.80
15,099	to 35,488	1,352	21.55	-	3.86	10.78
35,489	to 37,178	5,746	24.65	3.55	7.73	12.33
37,179	to 62,487	6,163	31.15	7.95	15.86	15.58
62,488	to 70,976	14,047	32.98	8.66	16.86	16.49
70,977	to 73,622	16,846	35.39	12.16	19.88	17.70
73,623	to 74,357	17,783	39.41	14.49	22.59	19.70
74,358	to 120,887	18,072	43.41	20.29	27.59	21.70
120,888	and up	38,271	46.41	24.64	31.34	23.20

- The tax rates include the provincial surtaxes and reflect budget proposals and news releases up to May 31, 2007. The rates do not include the Ontario Health Premium (see note 5 below). Where the tax is determined under the alternative minimum tax provisions (AMT), the above table is not applicable. AMT may be applicable where the tax otherwise payable is less than the tax determined by applying the relevant AMT rate to the individual's taxable income adjusted for certain preference items.
- The tax determined by the table should be reduced by the applicable federal and provincial tax credits (see chart below) other than the basic personal tax credits, which have been reflected in the calculations.
- The rates apply to the actual amount of taxable dividends received from taxable Canadian corporations. Eligible dividends are those paid by public corporations and private companies out of earnings that have been taxed at the general corporate tax rate (the dividend must be designated by the payor corporation as an eligible dividend).
- The rates apply to the actual amount of the capital gain. The capital gains exemption on qualified farm property and small business corporation shares may apply to eliminate the tax on those specific properties.
- Individuals resident in Ontario on December 31, 2007, with taxable income in excess of \$20,000 must pay the Ontario Health Care Premium. The premium ranges from \$nil to \$900 depending on the individual's taxable income, with the top premium being payable by individuals with taxable income in excess of \$200,599.

2007 FEDERAL AND ONTARIO PERSONAL TAX CREDITS

	FEDERAL CREDIT	ONTARIO CREDIT ¹
Amount of credits:		
Basic personal credit (see note 2 above)	\$ 1,384	\$ 807
Spousal credit (reduced when spouse's income over \$0 (federal) and \$726 (Ontario))	1,384	685
Equivalent-to-spouse credit (reduced when dependant's income over \$0 (federal) and 726 (Ontario))	1,384	685
Infirm dependant aged 18 or over (reduced when dependant's income over \$5,702 (federal) and \$5,731 (Ontario))	623	380
Caregiver credit (reduced when particular person's income over \$13,726 (federal) and 13,792 (Ontario))	623	380
Age credit (65 and over) ²	802	253
Disability credit	1,068	652
Pension income (maximum)	310	112
Education and textbook - per month	72	44
Canada employment credit	155	-
Child tax credit - per child under 18	310	-
Credits as a percentage of:		
Tuition fees	15.50%	9.44%
Public transit passes	15.50	-
Medical expenses	15.50	9.44
Charitable donations		
- 1st \$200	15.50	9.44
- remainder	29.00	17.41
CPP contribuitons	15.50	9.44
EI premiums	15.50	9.44

- The tax value of each Ontario tax credit includes the reduction in Ontario surtax as it would apply to taxpayers in the highest tax bracket (except for the age credit).
- The maximum federal age credit of \$802 occurs at \$30,936 of net income and declines to \$0 as net income rises to \$65,449. The maximum Ontario age credit of \$253 occurs at \$31,088 of net income and declines to \$0 as net income rises to \$58,928.
- The federal credit applies to eligible medical expenses that exceed the lesser of \$1,925 and 3% of net income. The Ontario credit applies to eligible medical expenses that exceed the lesser of \$1,936 and 3% of net income.
- One-half of CPP paid by self-employed individuals is deductible in computing taxable income.