

2023 TAX PLANNING GUIDE

2023 Personal Tax Rates In BC

2023 Taxable Income	Salary, Interest & Other Income	Capital Gains	Canadian Dividends	
			Eligible Dividends	Small Business Dividends
First \$45,654	20.06%	10.03%	-9.60%	10.43%
Over \$45,654 up to \$53,359	22.70%	11.35%	-5.96%	13.47%
Over \$53,359 up to \$91,310	28.20%	14.10%	1.63%	19.80%
Over \$91,310 up to \$104,835	31.00%	15.50%	5.49%	23.02%
Over \$104,835 up to \$106,717	32.79%	16.40%	7.96%	25.07%
Over \$106,717 up to \$127,299	38.29%	19.15%	15.55%	31.40%
Over \$127,299 up to \$165,430	40.70%	20.35%	18.88%	34.17%
Over \$165,430 up to \$172,602	44.02%	22.01%	23.46%	37.99%
Over \$172,602 up to \$235,675	46.12%	23.06%	26.36%	40.41%
Over \$235,675 up to \$240,716	49.80%	24.90%	31.44%	44.64%
Over \$240,716	53.50%	26.75%	36.54%	48.89%

Marginal tax rate for dividends is a % of actual dividends received (not grossed-up amount).

2023 Corporate Tax Rates in BC

Active business income up to \$500,000	11%
Active business income over \$500,000	27%
Investment Income	50.7%
Investment Income net of refundable tax	20%
Refundable tax refund rate (as a % of dividends paid) - inverse is 2.61	38.3%

RRSP Contribution Limits

Year	Maximum RRSP Contribution
2023	\$30,780
2024	\$31,560

Tax Filing Deadlines

Personal Tax Filing: Employee	May 1
Personal Tax Filing: Self-employed	June 15
RRSP Deadline	March 1
Corporate Tax Filing Deadline	6 months after corporate year-end
Trust Return	90 days after trust year-end

CRA Interest Rates (January 1 to March 31, 2023)

Interest rate charged on overdue taxes	8%
Low interest shareholder/employee loans	4%
Late-filing penalty	5% plus 1% per month (max 12 months)

BC Property Transfer Tax

First \$200,000	1%
\$200,001—\$2,000,000	2%
\$2,000,001—\$3,000,000	3%
Over \$3,000,000	5%

Newly built homes worth up to \$750,000 are exempt from PTT. First time home buyers are exempt if the price is \$500,000 or less.

BC Probate Fees

Value of Estate	Fees
Less than \$25,000	\$0
\$25,001 to \$50,000	\$200 + \$6 per \$1,000 (0.6%)
\$50,001 or more	\$14 per \$1,000 (1.4%)

2023 CPP and EI Rates, Contributions, and Deductions

The CPP rate is 5.95% of pensionable earnings. The maximum CPP contribution is \$3,754.45 for the 2023 taxation year. The annual maximum pensionable earnings is \$66,600. The basic exemption amount remains at \$3,500. The self-employed CPP contribution rate is raised to 11.90%.

The rate of EI premiums has increased to 1.63% of insurable earnings. The annual maximum insurable earnings is \$61,500 this year. The maximum annual premium deduction has increased to \$1,002.45 for 2023.

2023 Federal Personal Tax Credits

Credit	2023 Credit (\$)
Basic personal (NI ≤ \$165,430)	15,000.00
Age amount (65 or older)	8,396.00
Pension amount	2,000.00
Disability amount	9,428.00
Spouse/Eligible dependent	15,000.00
Canada Caregiver Credit	7,999.00

RRIF Minimum Annual Withdrawals

Age	%	Age	%
71**	5.28	84	8.08
72	5.40	85	8.51
73	5.53	86	8.99
74	5.67	87	9.55
75	5.82	88	10.21
76	5.98	89	10.99
77	6.17	90	11.92
78	6.36	91	13.06
79	6.58	92	14.49
80	6.82	93	16.34
81	7.08	94	18.79
82	7.38	95+	20.00
83	7.71		

** To calculate minimum annual withdrawals for below age 71, use the formula $1/(90 - \text{age})$

Withholding Taxes on RRIF's, LIF's & RRSF's

Amount withdraw (for RRIF in excess of minimum)	All provinces except Quebec	Quebec
Up to \$5,000	10%	5%
\$5,001 to \$15,000	20%	10%
Over \$15,000	30%	15%

Donations

Donations to Registered Charities result in a tax savings of 20.06% on the first \$200. Donations in excess of \$200 result in a tax savings of 45.80% or \$45.80 for each \$100 of donations. If an individual has taxable income in excess of \$240,716, the rate increases to 53.50% (some rules apply to this threshold).

Old Age Security (OAS)

Max Monthly Benefit	\$687.56 for ages 65 to 74 \$756.32 for ages 75 and over
Max Annual Income (Clawback)	Pensioners with an individual net income above \$86,912 must repay part or all of their OAS amount. Repayment amounts are normally deducted from monthly payments before they are issued. The OAS is completely eliminated when a pensioner's net income is \$141,917 for ages 65 to 74 or more, and \$147,418 for ages 75 and over.

Registered Disability Savings Account

- For persons under 60 and eligible for federal Disability Tax Credit
- \$200,000 lifetime limit but no annual limits
- Grant (max \$3,500/year) + bond (max \$1,000/year)
- Tax deferred growth
- Partly taxable withdrawals (grant, bond + growth)
- No impact on eligibility for Federal OAS, GIS, CPP and BC disability benefits

Registered Education Savings Plan (RESP)

Restriction	Details
Lifetime Contribution Maximum	\$50,000 per beneficiary.
Plan Age Limit	RESP must be collapsed before the anniversary date of the 35th year following the year the plan is entered into.
Canada Education Savings Grant (CESG)	20% of the annual contribution to an RESP on the first \$2,500 contributed each year per beneficiary, until the end of the year in which the beneficiary turns 17, up to a lifetime maximum of \$7,200. Note: the CESG is enhanced for low income families.
BC Training and Education Savings Grant (BCTESG)	One time \$1,200 grant for children aged 6-8. No corresponding RESP contribution required. Application process must be completed before the child's 9th birthday.
Education Assistance Payments (EAP)	Generally, \$5,000 maximum payout for full time students within first 13 weeks of qualifying education program. No limits after 13 weeks. \$2,500 maximum payout for part time students provided certain conditions are met.

Tax Free Savings Plans (TFSA's)

Eligibility:	Maximum contribution:
<ul style="list-style-type: none"> • 18 years of age or older, • A Canadian resident, • Valid SIN. 	<ul style="list-style-type: none"> • \$5,000 for the years 2009-2012 • \$5,500 per year for 2013 & 2014, and 2016-2018 • \$10,000 per year for 2015 • \$6,000 for the years 2019-2022 • \$6,500 per year for 2023 • Unused room is carried forward
Income earned in the TFSA is tax free.	Transferability:
Withdrawals are received tax-free and will create new contribution room.	The plan can be transferred to a spouse upon death, if they are named as the sole successor.