

### 2013 AUTOMOBILE DEDUCTION LIMITS

Effective January 1, 2013, the following passenger vehicle limits apply:  
Maximum cost for CCA purposes will remain at \$30,000 plus taxes.  
Ceiling on deductible leasing costs will remain at \$800 plus taxes.  
The limit on allowable interest deduction for amounts borrowed to purchase an automobile will remain at \$300 per month.  
The limit on tax-exempt kilometer allowances is \$0.54 for the first 5,000 kilometers driven and \$0.48 for each additional kilometer.

### 2012 / 2011 AVERAGE EXCHANGE RATES

COUNTRY	CURRENCY	2012	2011
United States	Dollar	0.9996	0.9890
European Union	Euro	1.2850	1.3767
United Kingdom	Pound Sterling	1.5840	1.5860
Japan	Yen	0.0125	0.0124

### 2013 / 2012 PAYROLL DEDUCTIONS

		2013	2012
CPP	Max Pensionable Earnings	\$51,100.00	\$ 50,100.00
	Basic Annual Exemption	\$ 3,500.00	\$ 3,500.00
	Contribution Rate	4.95%	4.95%
	Max Employee Contribution	\$ 2,356.20	\$ 2,306.70
EI	Max Annual Insurance Earnings	\$47,400.00	\$ 45,900.00
	Premium Rate	1.88%	1.83%
	Max Employee Annual Premium	\$ 891.12	\$ 839.97

### CORPORATE TAX RATES

Combined Federal and BC Rates for the year ended:	ACTIVE INCOME UP TO \$500,000	NO SMALL BUSINESS DEDUCTION INCOME	NON-ACTIVE INVESTMENT INCOME	
	December 31, 2012 ...	13.50	25.00	44.67
	December 31, 2013 ...	13.50	25.00	44.67

### PRESCRIBED INTEREST RATES

	RECEIVER GENERAL PAYMENTS		ALL OTHER PURPOSES
	TO	FROM	
2011 - Q3	5%	3%	1%
Q4	5%	3%	1%
2012 - Q1,Q2,Q3,Q4	5%	3%	1%
2013 - Q1	5%	3%	1%

### HARMONIZED SALES TAX RATES

15% HST in Nova Scotia.  
13% HST in Ontario, New Brunswick and Newfoundland & Labrador.  
12% HST in BC (returning to 5% GST/ 7% PST: March 31, 2013).  
5% GST in all other provinces and the territories.

### RRIF MIN WITHDRAWAL RATES FOR AGE AT DEC 31

Age	%	Age	%	Age	%	Age	%
71	7.38	77	8.15	83	9.58	89	12.71
72	7.48	78	8.33	84	9.93	90	13.62
73	7.59	79	8.53	85	10.33	91	14.73
74	7.71	80	8.75	86	10.79	92	16.12
75	7.85	81	8.99	87	11.83	93	17.92
76	7.99	82	9.27	88	11.96	94+	20.00

\*Under 71 = 1/(90-Age attained by individual at beginning of year)

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### OUR LOCAL FIRM'S SERVICES

We are a full service accounting firm. Whatever your financial, accounting, tax or computer needs may be, we can be of assistance.

#### Our Services Include:

Audits	Business Plans
Reviews	Budget Preparation
Compilations	Business Acquisitions
Corporate Income Taxes	Estate Planning
Personal Income Taxes	Business Valuations
Trust & Estate Income Taxes	Business Succession



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An Independent Member Firm of the EPR Canada Group Inc.



Certified General Accountants

QUICK TAX  
2013

2012 FEDERAL AND BRITISH COLUMBIA PERSONAL TAX CREDITS		
Amount of credits:	FEDERAL AMOUNT	TOTAL Fed/BC CREDIT
Basic personal credit (\$11,354 BC)	\$10,822	\$2,198
Age amount (Born 1947 or earlier; 65 and over)	1 6,720	1,228
Spousal/Partner and eligible dependants credit	2 10,822	2,127
Infirm dependants aged 18 or older	2 4,402	875
Caregiver credit	2 4,402	875
Family caregiver credit	3 2,000	300
Amount for Children born 1995 or later - per child	4 2,191	329
Canada Employment amount (maximum)	5 1,095	164
Pension income (maximum) (BC Max = \$1,000)	5 2,000	351
Disability credit	7,546	1,501
Education – Full time - per month	6	80
Education – Part time - per month	6	24
<b>Credits as a percentage of:</b>		
CPP contributions and EI premiums	7	20.06%
Public transit passes (Federal credit only)	8	15.00%
Children's fitness / arts	9	20.06%
Adoption expenses	10	20.06%
Tuition, education, textbook and student loans	5,11	20.06%
Medical expenses (in excess of 3% Net Income)	12	20.06%
Charitable donations - first \$200	13	20.06%
- remainder		43.70%

- The Age Credit begins to reduce when the taxpayers net income reaches \$33,884 / \$32,424 and is fully reduced at \$78,684 / \$61,464 (Federal / BC).
- The value of these tax credits is reduced whenever the dependant's income exceeds specific threshold amounts; the thresholds are \$0 / \$996 for Spouse or Common-Law Partner; \$6,420 / \$6,770 for Infirm Dependant; and \$15,033 / \$14,385 for Caregiver Credit.
- Additional \$2,000 credit added to Spousal/Infirm/Caregiver credit amounts for when the dependant has physical/mental infirmity.
- Federal credit available for children under 18 (Born 1995 or later).
- Credits are lesser of qualifying income amounts and Federal maximums.
- In addition to tuition fees, a Full time student may also claim \$465 / \$200 per month enrolled; a Part-time student may claim \$140 / \$60 per month.
- Canada Pension Plan contribution is 4.95% of pensionable earnings. Basic exemption of \$3,500; Maximum CPP pensionable earnings are \$50,100. EI contribution rate is 1.83%. Maximum insurable earnings are \$45,900.
- You may be able to claim weekly, monthly or annual transit passes which permit unlimited travel within Canada for you, your spouse or your children.
- You may claim up to a maximum of \$500 per child, fees paid to specified programs during 2012 for children up to 16 years old.
- You may claim a credit for eligible adoption expenses related to the adoption of a child who is under the age of 18 up to a maximum of \$11,440.
- Tuition fees and educational credits are transferable to a spouse, parent or grandparent. The maximum transfer is \$5,000 less the student's net income over \$10,822 / \$11,345. The student may carry forward unused amounts.
- Medical Expense Amount is equal to qualifying medical expenses in excess of 3% of net income or \$2,109 Federal, \$2,020 BC, whichever is greater.
- Charitable Donations may not exceed 75% of net income except in the event of death (100%). Excess amounts may be carried forward.
- The following amounts may be transferred from a spouse, to the extent that they are not needed to reduce his or her federal income tax to zero: age amount, pension amount, disability amount, amount for eligible children, tuition fees and education amount.
- OAS clawback begins at \$69,562 and is fully recovered at \$112,966.
- Working Income Tax Benefit (BC) For Singles: Income between \$4,750 and \$19,153; Max benefit (\$1,206) at \$12,059; For Family: Income between \$4,750 and \$27,513. Max benefit (\$1,914) at \$16,254.

Split numbers represent Federal / BC amounts

## EPR QUICK TAX

INDIVIDUAL MARGINAL RATES - 2012				
TAXABLE INCOME	Income	Eligible	Dividends Regular	Regular
\$10,822 - \$ 17,914	15.00%	0.00%	0.00%	
\$ 17,914 - \$ 37,013	20.06%	0.00%	4.16%	
\$ 37,013- \$ 42,707	22.70%	0.00%	7.46%	
\$ 42,708 - \$ 74,028	29.70%	6.46%	16.21%	
\$ 74,029 - \$ 84,993	32.50%	10.32%	19.71%	
\$ 84,994 - \$ 85,414	34.29%	12.79%	21.95%	
\$ 85,414 - \$103,205	38.29%	18.31%	26.95%	
\$ 103,206 - \$ 132,406	40.70%	21.64%	29.96%	
\$ 132,407 AND OVER	43.70%	25.78%	33.71%	

2012 FEDERAL / BRITISH COLUMBIA INCOME TAX					
TAXABLE INCOME	TOTAL TAX	TAXABLE INCOME	TOTAL TAX	TAXABLE INCOME	TOTAL TAX
10,000	-	47,000	7,030	86,000	18,959
11,000	-	48,000	7,317	88,000	19,725
12,000	-	49,000	7,604	90,000	20,490
13,000	56	50,000	7,891	92,000	21,256
14,000	196	51,000	8,187	94,000	22,022
15,000	336	52,000	8,484	96,000	22,788
16,000	476	53,000	8,781	98,000	23,554
17,000	616	54,000	9,078	100,000	24,319
18,000	755	55,000	9,375	110,000	28,312
19,000	895	56,000	9,672	120,000	32,382
20,000	1,076	57,000	9,969	130,000	36,452
21,000	1,295	58,000	10,266	140,000	40,750
22,000	1,514	59,000	10,563	150,000	45,120
23,000	1,733	60,000	10,860	160,000	49,490
24,000	1,952	61,000	11,157	170,000	53,860
25,000	2,171	62,000	11,454	180,000	58,230
26,000	2,390	63,000	11,751	190,000	62,600
27,000	2,609	64,000	12,048	200,000	66,970
28,000	2,828	65,000	12,345	210,000	71,340
29,000	3,047	66,000	12,642	220,000	75,710
30,000	3,266	67,000	12,939	230,000	80,080
31,000	3,470	68,000	13,236	250,000	88,820
32,000	3,657	69,000	13,533	300,000	110,670
33,000	3,844	70,000	13,830	350,000	132,520
34,000	4,031	71,000	14,127	400,000	154,370
35,000	4,218	72,000	14,424	450,000	176,220
36,000	4,405	73,000	14,721	500,000	198,070
37,000	4,592	74,000	15,018	550,000	219,920
38,000	4,805	75,000	15,342	600,000	241,770
39,000	5,018	76,000	15,667	650,000	263,620
40,000	5,232	77,000	15,992	700,000	285,470
41,000	5,445	78,000	16,317	750,000	307,320
42,000	5,658	79,000	16,642	800,000	329,170
43,000	5,892	80,000	16,967	850,000	351,020
44,000	6,176	81,000	17,292	900,000	372,870
45,000	6,459	82,000	17,617	950,000	394,720
46,000	6,743	84,000	18,267	1,000,000	416,570

\*\* Tax computations above reflect basic employment income with claims for the basic personal amount, applicable CPP & EI credits and also the \$1,095 Federal Employment Tax Credit. Other deductions and credits will reduce income taxes at the appropriate rates.

## 2012 / 2013 MAJOR CHANGES

- BC PST is effective starting April 1, 2013. Re-registration can be done online @gov.bc.ca using the eTaxBC system.
- All permanent PST exemptions will return including food, most services, bicycles and purchases by PST registrants.
- A 2% transition tax will apply to purchases of new housing where ownership transfers on or after April 1, 2013.
- 12% PST charged on sales of automobiles and boats by non-GST registrants and 7-10%+GST from registrants.
- 10% PST is being reinstated on alcoholic beverages.
- 2013 Basic personal tax credit amount for BC will revert back to pre-HST amount in 2009, plus any indexation.
- Beginning in 2013, employer contributions to group health or insurance plans will be considered taxable benefits.
- The Overseas Employment Tax Credit is being phased out over 4 years for contracts ratified before Mar. 29, 2012.
- In the fall of 2012 the Royal Canadian Mint ceased issuing pennies. Cash payments may be rounded. Payments made electronically or by check are unchanged.
- The TFSA limit for 2013 will increase to \$5,500.
- A 10% Provincial tax credit is available for Senior's outlays Apr 1 to Dec 31 2012 which improve the safety, access or mobility regarding a principal residence. Limitations apply.
- For tax years after March 31, 2011, Corporations which are significant members of a partnership are required to accrue income for the stub period, thus removing the tax deferral.

## GOVERNMENT / CRA CONTACT

PST Hotline	1-877-388-4440
CRA - Individual Taxes	1-800-959-8281
CRA - Business Services	1-800-959-5525
HRDC - CPP/OAS/GIS	1-800-277-9914
BC Government Agencies (Enquiry BC)	604-660-2421

## PLANNING AND FILING DEADLINES IN 2013

- February 28:** Last day to issue T4's, T4A's and T5's.
- March 1:** Last day to make personal and spousal RRSP contributions applicable to the 2012 taxation year.
- March 15, June 17, September 16 & December 16:** Quarterly installments for taxpayers who are required to remit quarterly.
- April 30:** File Personal Income Tax Returns for 2012 and remit balance due, if any, to CRA.
- June 17:** Due date for Personal Tax Returns of individuals with self-employed business income, or spouses/common-law partners with self-employed business income. (Payment of tax balance still due by April 30).
- December 31:** Deadline for RRSP contributions in the year a taxpayer turns 71. This is also the deadline for converting RRSPs into RRIFs or Life Annuities in a taxpayer's 71<sup>st</sup> year.

*The information in this booklet is general in nature; it discusses tax rates and planning in a broad sense. Accordingly, it should not be used in the context of a unique set of facts. Consult your local office of EPR in order to ensure you receive the appropriate advice as it relates to your individual circumstances.*