

2004 INDIVIDUAL INCOME TAX (ONTARIO)

Federal Tax Table

Taxable Income	Basic Federal Income Tax
Up to \$35,000	16%
\$35,001 to \$70,000	\$5,600 + 22% on excess
\$70,001 to \$113,804	\$13,300 + 26% on excess
\$113,805 and over	\$24,689 + 29% on excess

Combined Rates

	2001 - 2004
Salary, Interest, Etc.	46.41%
Dividends	31.34%
Capital Gain	23.21%

Maximum Contributions for 2004

CPP employee/employer	\$1,831.50
CPP Self-employed	\$3,663.00
EI employee portion	\$772.20
EI employer portion	\$1,081.08
RRSP	\$15,500.00

Ontario Income Tax Table

Taxable Income	Basic Ontario Income Tax
\$33,375 or less	6.05%
\$33,376 to \$66,752	\$2,019 + 9.15% on excess
\$66,753 and over	\$5,073 + 11.16% on excess

Ontario Health Premium

Taxable Income	For 2004	After 2004
Up to \$ 20,000	Nil	Nil
\$20,000 to 36,000	\$150	\$300
\$36,000 to \$48,000	\$225	\$450
\$48,000 to \$72,000	\$300	\$600
\$72,000 to \$200,000	\$375	\$750
Over \$200,000	\$450	\$900

Automobile Rates

Effective Date	Max. Ded'n per km (1 st 5,000km/excess)	Standby Charge
Jan 1/01 Jan 1/02	41 / 35	16
Jan 1/03 Jan 1/04	42 / 36	17

2004 Tax Table* – Quick Calculation

Taxable Income	Federal Income Tax	Ontario Income Tax	Ontario FSHCL	Total Tax with Surtaxes	Marginal Tax Rate on Excess
\$	\$	\$	\$	\$	%
8,012	-	-	-	-	16.00
8,044	5	-	-	5	16.00
11,119	497	-	-	497	28.10
14,192	989	372	-	1,361	22.05
33,375	4,058	1,533	-	5,591	25.15
35,000	4,318	1,681	-	5,999	31.15
50,000	7,618	3,054	-	10,672	31.15
58,768	9,547	3,856	-	13,403	32.98
66,752	11,303	4,587	146	16,036	35.39
69,238	11,850	4,864	202	16,916	39.41
70,000	12,018	4,949	249	17,216	43.41
100,000	19,818	8,297	2,124	30,239	43.41
113,804	23,407	9,838	2,987	36,232	46.41

Effective Date	Cost Limit	Monthly Lease Limit	Monthly Interest Limit
Jan 1/01 Jan 1/02 Jan 1/03 Jan 1/04	\$34,500	\$920.00	\$300

Prescribed Interest Rates

Federal	Quarter			
	1 st	2 nd	3 rd	4 th
2002	5%	4%	5%	5%
2003	5%	5%	6%	5%
2004	5%	5%	4%	5%

Rate is 2% higher for late or deficient income tax payments and unremitted tax withholdings
Rate is 2% lower for deemed interest on employee & shareholder loans

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

CORPORATE INCOME TAXES IN ONTARIO - Business Income – December 31, 2004 Year End

	ABI & No M&P						ABI & M&P					NO ABI NO M&P
	Low Rate	No Ontario SBD	Mid-size Rate Clawback	Low Ontario Rate	High Rate Clawback	High Rate	Low Rate	Mid-size Rate Clawback	Low Ontario Rate	High Rate Clawback	High Rate	High Rate
Basic Federal Rate	38.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00
Provincial Abatement	(10.00)	(10.00)	(10.00)	(10.00)	(10.00)	(10.00)	(10.00)	(10.00)	(10.00)	(10.00)	(10.00)	(10.00)
CCPC Rate Reduction			(7.00)									
General Rate Reduction	-	-		(7.00)	(7.00)	(7.00)	-	-	-	-	-	(7.00)
Small Business Deduction	(16.00)	(16.00)	-	-	-	-	(16.00)	-	-	-	-	-
M & P Profits Deduction	-	-	-	-	-	-	-	(7.00)	(7.00)	(7.00)	(7.00)	-
Surtax	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.12
Total Federal Rate	13.12	13.12	22.12	22.12	22.12	22.12	13.12	22.12	22.12	22.12	22.12	22.12
Basic Ontario Rate	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00
Small Business Deduction	(8.50)	-	(8.50)	(8.50)	-	-	(8.50)	(8.50)	-	-	-	-
Ontario SBD Clawback	-	-	-	-	4.67	-	-	-	4.67	-	-	-
M & P Profits Deduction	-	-	-	-	-	-	-	-	(2.00)	(2.00)	-	-
Ontario M&P Adjustment	-	-	-	-	-	-	-	-	(1.10)	-	-	-
Total Ontario Rate	5.50	14.00	5.50	5.50	18.67	14.00	5.50	5.50	15.57	12.00	14.00	14.00
Total Tax – 2004	18.62	27.12	27.62	27.62	40.79	36.12	18.62	27.62	27.62	37.69	34.12	36.12
Income Ranges	-	-	250,001	300,001	400,001	Over	-	250,001	300,001	400,001	Over	
Projected *	250,000	250,000	300,000	400,000	1,128,519	1,128,519	250,000	300,000	400,000	1,128,519	1,128,519	
Total Tax – 2005	18.62	27.12	27.62	27.62	40.79	36.12	18.62	27.62	27.62	37.69	34.12	36.12
Total Tax – 2006	18.62	27.12	27.62	27.62	40.79	36.12	18.62	27.62	27.62	37.69	34.12	36.12
<i>Historic</i>												
<i>Total Tax – 2003</i>	<i>18.62</i>	<i>25.62</i>	<i>27.62</i>	<i>29.62</i>	<i>41.29</i>	<i>36.62</i>	<i>18.62</i>	<i>27.62</i>	<i>27.62</i>	<i>36.79</i>	<i>33.12</i>	<i>36.62</i>
<i>Total Tax – 2002</i>	<i>19.12</i>	<i>25.62</i>	<i>28.12</i>	<i>38.95</i>	<i>42.95</i>	<i>38.62</i>	<i>19.12</i>	<i>28.12</i>	<i>36.45</i>	<i>36.45</i>	<i>33.12</i>	<i>38.62</i>

* Federal SBD threshold increases to \$300,000 in 2005