

2005 REVISED* INDIVIDUAL INCOME TAX (ONTARIO)

Combined Rates

	2001 - 2005
Salary, Interest, Etc.	46.41%
Dividends	31.34%
Capital Gain	23.21%

Maximum Contributions 2005 2006

	2005	2006
CPP employee/employer	\$1,861.20	\$1,910.70
CPP Self-employed	\$3,722.40	\$3,821.40
EI employee portion	\$760.50	\$729.30
EI employer portion	\$1,064.70	\$1,021.02
RRSP	\$16,500	\$18,000

<i>Revised* Federal Tax Table</i>	
Taxable Income	Basic Federal Income Tax
Up to \$35,595	15%
\$35,596 to \$71,190	\$5,339 + 22% on excess
\$71,191 to \$115,739	\$13,170 + 26% on excess
\$115,740 and over	\$24,753 + 29% on excess

Ontario Health Premium

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

Automobile Rates

Effective Date	Max. Ded'n per km (1 st 5,000km/excess)	Standby Charge
Jan 1/01-02	41 / 35	16
Jan 1/03-04	42 / 36	17
Jan 1/05	45 / 39	20
Jan 1/06	50/44	22

<i>Ontario Income Tax Table</i>	
Taxable Income	Basic Ontario Income Tax
\$34,010 or less	6.05%
\$34,011 to \$68,020	\$2,058 + 9.15% on excess
\$68,021 and over	\$5,170 + 11.16% on excess

Effective Date	Cost Limit	Monthly Lease Limit	Monthly Interest Limit
Jan 01/01 - Jan /01/06	\$34,500	\$920.00	\$300

2005 Revised* Tax Table⁺ Quick Calculation

Taxable Income	Federal Income Tax	Ontario Income Tax	Ontario FSHCL	Total Tax with Surtaxes	Marginal Tax Rate on Excess	Average Tax Rate
\$	\$	\$	\$	\$	%	%
8,648	-	-	-	-	15.00	0.00
11,337	403	-	-	403	27.10	3.56
14,477	874	380	-	1,254	21.05	8.66
34,010	3,804	1,562	-	5,366	24.15	15.78
35,595	4,042	1,707	-	5,749	31.15	16.15
50,000	7,211	3,025	-	10,236	31.15	20.47
59,877	9,384	3,929	-	13,313	32.98	22.23
68,020	11,175	4,674	149	15,998	35.39	23.52
70,555	11,733	4,957	206	16,896	39.43	23.95
71,190	11,873	5,028	245	17,146	43.41	24.08
100,000	19,363	8,243	2,046	29,652	43.41	29.65
115,739	23,456	10,000	3,029	36,485	46.41	31.52
135,000	29,041	12,149	4,233	45,424	46.41	33.65

Federal 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%
2005	5%	5%	5%	5%
2006	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. This table does not include the Ontario Health Premium.

*These tax rates reflect the November 14, 2005 federal tax changes which increased the personal exemption amount to \$8,648 and reduced the tax rate to 15% for the lowest bracket.

CORPORATE INCOMETAXES IN ONTARIO - Business Income – December 31, 2005 Year End

	ABI & NO M&P					ABI & M&P				NO ABI NO M&P
	Low Rate	No Ontario SBD	Low Ontario Rate	High Rate Clawback	High Rate	Low Rate	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
Provincial Abatement	(10.00)	(10.00)	(10.00)	(10.00)	(10.00)	(10.00)	(10.00)	(10.00)	(10.00)	(10.00)
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)	-
Surtax	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	13.12	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
Small Business Deduction	(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	18.67	14.00	5.50	5.50	15.57	12.00	14.00
Total Tax – 2005	18.62	27.12	27.62	40.79	36.12	18.62	27.62	37.69	34.12	36.12
Income Ranges	-	-	300,001	400,001	Over	-	300,001	400,001	Over	
Projected *	300,000	300,000	400,000	1,128,519	1,128,519	300,000	400,000	1,128,519	1,128,519	
Total Tax – 2006	18.62	27.12	27.62	40.79	36.12	18.62	27.62	37.69	34.12	36.12
<i>Historic</i>										
Total Tax – 2004	18.62	25.62	27.62	40.79	36.12	18.62	27.62	37.69	34.12	36.12
Total Tax – 2003	18.62	25.62	29.62	41.29	36.62	18.62	27.62	36.79	33.12	36.62
Total Tax – 2002	19.12	25.62	38.95	42.95	38.62	19.12	36.45	36.45	33.12	38.62