

2006 INDIVIDUAL INCOME TAX (ONTARIO)

Combined Rates

Maximum Contributions 2005 2006

<i>Federal Income Tax Table</i>	
<i>Taxable Income</i>	<i>Basic Federal Income Tax</i>
Up to \$36,378	15.25%
\$36,379 to \$72,756	\$5,548 + 22% on excess
\$72,757 to \$118,285	\$13,551 + 26% on excess
\$118,286 and over	\$25,388 + 29% on excess

Highest Marginal	2001 - 2005	2006
Salary, Interest, Etc.	46.41%	46.41%
Ineligible Dividends	31.34%	31.34%
Eligible Dividends	N/A	25.09%
Capital Gain	23.21%	23.21%

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	\$1,021.80
RRSP	\$16,500	\$18,000

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Ontario Health Premium

Automobile Rates

<i>Ontario Income Tax Table</i>	
<i>Taxable Income</i>	<i>Basic Ontario Income Tax</i>
Up to \$34,758	6.05%
\$34,759 to \$69,517	\$2,103 + 9.15% on excess
\$69,518 and over	\$5,283 + 11.16% on excess

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

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

2006 Tax Table⁺ Quick Calculation

Effective Date	Cost Limit	Monthly Lease Limit	Monthly Interest Limit
Jan 01/01 - Jun /30/06	\$34,500	\$920.00	\$300
Jul /01/06 -	\$34,200	\$912.00	\$300

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Federal Prescribed Interest Rates

<i>Taxable Income</i>	<i>Federal Income Tax</i>	<i>Ontario Income Tax</i>	<i>Ontario FSHCL</i>	<i>Total Tax with Surtaxes</i>	<i>Marginal Tax Rate on Excess</i>	<i>Average Tax Rate</i>
\$	\$	\$	\$	\$	%	%
8,839	-	-	-	-	15.25	-
11,518	408	-	-	408	27.11	3.55
14,790	908	388	-	1,296	21.30	8.76
34,758	3,953	1,596	-	5,549	24.42	15.96
36,378	4,200	1,744	-	5,944	31.15	16.34
50,000	7,197	2,991	-	10,188	31.15	20.38
61,205	9,662	4,016	-	13,678	32.97	22.35
69,517	11,491	4,776	152	16,419	35.39	23.62
72,113	12,062	5,066	210	17,338	39.40	24.04
72,756	12,203	5,138	250	17,591	43.41	24.18
100,000	19,286	8,178	1,953	29,417	43.41	29.42
118,285	24,041	10,219	3,095	37,355	46.41	31.58
150,000	33,238	13,758	5,078	52,074	46.41	34.72

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%	6%	6%	7%
Rate is <u>2% higher</u> for late or deficient income tax payments and unremitted tax withholdings				
Rate is <u>2% lower</u> 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.

CORPORATE INCOME TAXES IN ONTARIO – December 31, 2006 Year End

	ABI & No M&P				ABI & M&P				CCPCs
	Low Rate	Low Ontario Rate	High Rate Clawback	High Rate	Low Rate	Low Ontario Rate	High Rate Clawback	High Rate	Investment Income ***
Basic Federal Rate	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)
Refundable Tax									6.67
General Rate Reduction	-	(7.00)	(7.00)	(7.00)					
Small Business Deduction	(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
Total Federal rate	13.12	22.12	22.12	22.12	13.12	22.12	22.12	22.12	35.79
Basic Ontario rate	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	5.50	18.67	14.00	5.50	5.50	15.57	12.00	14.00
Total Tax – 2006	18.62	27.62	40.79	36.12	18.62	27.62	37.69	34.12	49.79
Income Ranges *	-	300,001	400,001	Over	-	300,001	400,001	Over	
	300,000	400,000	1,128,519	1,128,519	300,000	400,000	1,128,519	1,128,519	
Total Tax – 2007 **	18.62	18.62	40.79	36.12	18.62	18.62	37.69	34.12	49.79
<i>Historic</i>									
<i>Total Tax – 2005</i>	<i>18.62</i>	<i>27.62</i>	<i>40.79</i>	<i>36.12</i>	<i>18.62</i>	<i>27.62</i>	<i>37.69</i>	<i>34.12</i>	<i>49.79</i>
<i>Total Tax – 2004 *</i>	<i>18.62</i>	<i>27.62</i>	<i>40.79</i>	<i>36.12</i>	<i>18.62</i>	<i>27.62</i>	<i>37.69</i>	<i>34.12</i>	<i>49.79</i>

* In 2004, the Federal SBD threshold was only \$250,000

** In 2007, the Federal SBD threshold to be increased from \$300,000 to \$400,000

*** Ultimate net corporate tax rate of 23.12% after full dividend refund. Refer to the integration tables