

## 2009 INDIVIDUAL INCOME TAX (ONTARIO)

<i>Federal Income Tax Table</i>	
<i>Taxable Income</i>	<i>Basic Federal Income Tax</i>
Up to \$40,726	15%
\$40,727 to \$81,452	\$6,109 + 22% on excess
\$81,453 to \$126,264	\$15,069, + 26% on excess
\$126,265 and over	\$26,720 + 29% on excess

<i>Top Marginal Rates For Ontario</i>			
<i>Income Type</i>	<i>2008</i>	<i>2009</i>	<i>Scheduled 2010</i>
Salary, Interest, Etc.	46.41%	<b>46.41%</b>	46.41%
Ineligible Dividends	31.34%	<b>31.34%</b>	32.57%
Eligible Dividends	23.96%	<b>23.06%</b>	26.57%
Capital Gain	23.21%	<b>23.21%</b>	23.21%

<i>Maximum Contributions</i>	<i>2009</i>
CPP employee/employer	\$2,118.60
CPP Self-employed	\$4,237.20
EI employee portion	\$731.79
EI employer portion	\$1,024.51
RRSP	\$21,000
TFSA	\$5,000

<i>Ontario Income Tax Table</i>	
<i>Taxable Income</i>	<i>Basic Ontario Income Tax</i>
Up to \$36,848	6.05%
\$36,849 to \$73,698	\$2,229 + 9.15% on excess
\$73,699 and over	\$5,601 + 11.16% on excess

<i>Ontario Health Premium</i>	
<i>Taxable Income</i>	<i>Tax</i>
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

<i>Automobile Rates</i>		
<i>Effective Date</i>	<i>Max. Ded'n per km (1<sup>st</sup> 5,000km/excess)</i>	<i>Standby Charge</i>
Jan 1/06-07	50 / 44	22
<b>Jan 1/08-Dec 31 09</b>	<b>52 / 46</b>	<b>24</b>

<i>Effective Date</i>	<i>Cost Limit</i>	<i>Monthly Lease Limit</i>	<i>Monthly Interest Limit</i>
Jul 01/06 – Dec 31/07	\$34,200	\$912.00	\$300
<b>Jan 1/08 – Dec 31/09</b>	<b>\$33,900</b>	<b>\$904.00</b>	<b>\$300</b>

<i>2009 Tax Table Quick Calculation</i>						
<i>This table cannot be used if taxable income includes Canadian dividends.</i>						
<i>This table does not include the Ontario Health Premium.</i>						
<i>Taxable Income</i>	<i>Federal Income Tax</i>	<i>Ontario Income Tax</i>	<i>Ontario Surtax</i>	<i>Total Tax with Surtaxes</i>	<i>Marginal Tax Rate on Excess</i>	<i>Average Tax Rate</i>
\$	\$	\$	\$	\$	%	%
8,881	-	-	-	-	0.00	0.00
10,320	-	-	-	-	15.00	0.00
12,270	293	-	-	293	27.10	2.38
15,658	801	410	-	1,211	21.05	7.73
36,848	3,979	1,692	-	5,671	24.15	15.39
40,726	4,561	2,047	-	6,608	31.15	16.22
50,000	6,601	2,895	-	9,496	31.15	18.99
60,000	8,801	3,810	-	12,611	31.15	21.02
64,886	9,876	4,257	-	14,133	32.98	21.78
73,698	11,815	5,064	161	17,040	35.39	23.21
76,440	12,418	5,370	223	18,011	39.41	23.56
81,452	13,521	5,929	536	19,986	43.41	24.54
100,000	18,343	7,999	1,695	28,038	43.41	28.04
126,264	25,172	10,930	3,336	39,439	46.41	31.24
135,000	27,705	11,905	3,882	43,493	46.41	32.22

<i>Federal Prescribed Interest Rates</i>				
<i>Federal</i>	<i>Quarter</i>			
	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
2006	5%	6%	6%	7%
2007	7%	7%	7%	7%
2008	6%	6%	5%	5%
<b>2009</b>	<b>4%</b>	<b>3%</b>	<b>3%</b>	-
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				

## CORPORATE INCOME TAXES IN ONTARIO – December 31, 2009 Year End

	Note	ABI & NO M&P				ABI & M&P				CCPC
		Low Rate	Low Ontario Rate	High Rate Clawback	High Rate	Low Rate	Low Ontario Rate	High Rate Clawback	High Rate	Investment Income Note 6
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		-	-	(9.00)	(9.00)	-	-	-	-	-
Small Business Deduction		(17.00)	(17.00)	-	-	(17.00)	(17.00)	-	-	-
M & P Profits Deduction		-	-	-	-	-	-	(9.00)	(9.00)	-
Surtax	1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Federal Rate</b>		<b>11.00</b>	<b>11.00</b>	<b>19.00</b>	<b>19.00</b>	<b>11.00</b>	<b>11.00</b>	<b>19.00</b>	<b>19.00</b>	<b>34.67</b>
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		-	-	4.25	-	-	-	4.25	-	-
M & P Profits Deduction		-	-	-	-	-	-	(2.00)	(2.00)	-
Ontario M&P Adjustment		-	-	-	-	-	-	(1.00)	(1.00)	-
<b>Total Ontario Rate</b>		<b>5.50</b>	<b>5.50</b>	<b>18.25</b>	<b>14.00</b>	<b>5.50</b>	<b>5.50</b>	<b>15.25</b>	<b>12.00</b>	<b>14.00</b>
<b>Total Tax – 2009</b>	2	<b>16.50</b>	<b>16.50</b>	<b>37.25</b>	<b>33.00</b>	<b>16.50</b>	<b>16.50</b>	<b>34.25</b>	<b>31.00</b>	<b>48.67</b>
<b>Scheduled Total Tax – 2010</b>	3	<b>16.00</b>	<b>16.00</b>	<b>33.13</b>	<b>31.00</b>	<b>16.00</b>	<b>16.00</b>	<b>30.63</b>	<b>29.00</b>	<b>47.67</b>
<b>Total Tax – 2008</b>	4	<b>16.50</b>	<b>25.00</b>	<b>37.75</b>	<b>33.50</b>	<b>16.50</b>	<b>25.00</b>	<b>34.75</b>	<b>31.50</b>	<b>48.67</b>
<b>Total Tax – 2007</b>	4	<b>18.62</b>	<b>27.62</b>	<b>40.37</b>	<b>36.12</b>	<b>18.62</b>	<b>27.62</b>	<b>37.37</b>	<b>34.12</b>	<b>49.79</b>
<b>Income Ranges</b>	4	<b>-</b> <b>400,000</b>	<b>400,001</b> <b>500,000</b>	<b>500,001</b> <b>1,500,000</b>	<b>Over</b> <b>1,500,000</b>	<b>-</b> <b>400,000</b>	<b>400,001</b> <b>500,000</b>	<b>500,001</b> <b>1,500,000</b>	<b>Over</b> <b>1,500,000</b>	
<b>Total Tax – 2006</b>	5	<b>18.62</b>	<b>27.62</b>	<b>40.79</b>	<b>36.12</b>	<b>18.62</b>	<b>27.62</b>	<b>37.69</b>	<b>34.12</b>	<b>49.79</b>
<b>Historical Income Ranges</b>	5	<b>-</b> <b>300,000</b>	<b>300,001</b> <b>400,000</b>	<b>400,001</b> <b>1,128,519</b>	<b>Over</b> <b>1,128,519</b>	<b>-</b> <b>300,000</b>	<b>300,001</b> <b>400,000</b>	<b>400,001</b> <b>1,128,519</b>	<b>Over</b> <b>1,128,519</b>	

1 The corporate surtax of 1.12% was eliminated, effective January 1, 2008.

2 In 2009, the Federal SBD threshold increased to \$500,000 and the Ontario SBD threshold remained at \$500,000.

3 2010 tax rate is based on the scheduled Federal and Ontario corporate tax rate reductions scheduled for 2010. Ontario corporate tax rate reductions are effective July 1, 2010.

4 In 2007, the Federal SBD threshold increased to \$400,000 and the Ontario SBD threshold increased to \$500,000. The income range for the Ontario SBD clawback increased to \$1,500,000.

5 In 2006, the Federal SBD threshold was \$300,000 and the Ontario SBD threshold was \$400,000.

6 Ultimate net corporate tax rate on investment income is 22.0% after full dividend refund of 26.67%. Refer to the integration tables.