

2023 Income Tax Rates

Corporate Rates			
Type of income	Federal	Ontario	Total
CCPC to \$500,000 (active business income)	9.00%	3.20%	12.20%
CCPC excess of \$500,000 (active)	15.00%	11.50%	26.50%
CCPC (Investment) * net to 19.5% when dividend out *	38.67%	11.50%	50.17%
Personal Service Business income	33.00%	11.50%	44.50%
Basic (other than CCPC)	15.00%	11.50%	26.50%
M & P (other than CCPC)	15.00%	10.00%	25.00%
Investments (other than CCPC)	15.00%	11.50%	26.50%

CCPC = Canadian Controlled Private Corporation

M & P = Manufacturing and Processing

Part VI tax of 38 1/3% applies to certain dividends received. Fully refunded when dividend out to individuals.

Personal Rates						
Taxable income	Federal	Ontario	Ontario Surtax	Total (Ordinary)	Eligible Dividend	Other Dividend
\$1 – \$49,231	15.00%	5.05%	0.00%	20.05%	0.00%	9.24%
49,232 – 53,359	15.00%	9.15%	0.00%	24.15%	0.00%	13.95%
53,360 – 86,698	20.50%	9.15%	0.00%	29.65%	6.39%	20.28%
86,699 – 98,463	20.50%	9.15%	1.83%	31.48%	8.92%	22.38%
98,464 – 102,135	20.50%	11.16%	2.23%	33.89%	12.24%	25.16%
102,136 – 106,717	20.50%	11.16%	6.25%	37.91%	17.79%	29.78%
106,718 – 150,000	26.00%	11.16%	6.25%	43.41%	25.38%	36.10%
150,001 – 165,430	26.00%	12.16%	6.81%	44.97%	27.53%	37.90%
165,431 – 220,000	29.38%	12.16%	6.81%	48.29%	32.11%	41.72%
220,001 – 235,675	29.38%	13.16%	6.81%	49.85%	34.26%	43.51%
235,675 +	33.00%	13.16%	7.37%	53.53%	39.34%	47.74%

Only one half of a capital gain is included in taxable income and taxed at the regular rates. The other half is tax free.

Personal Amount	Federal	Ontario
Basic personal amount (BPA)	\$ 15,000*	\$11,865
Spouse or common-law partner amount	15,000*	10,075
Amount for an eligible dependent	15,000*	10,075
Age Amount	8,396	5,793
Caregiver amount – (maximum)	7,999	5,593
Disability amount – (maximum)	9,428	9,586
Pension income amount	2,000	1,641
Canada employment credit (max)	1,368	N/A

*Amount would be reduced up to \$1,479 for NI from \$165,431 to \$235,675

Canada Pension Plan Contributions

Contribution rate	5.95 %
Max. pensionable earnings	\$ 66,600
Annual basic exemption	3,500
Max. contributory earnings	63,100
Max. employee/employer contribution	3,754.45
Max. Self-employed contribution	7,508.90

Employment Insurance Premiums

Premium rate	1.63%
Maximum annual insurable earnings	\$ 61,500
Maximum employee premium	1,002.45
Maximum employer premium	1,403.43

RRSP Contribution Limit (Dollar Limit)

2022	29,210
2023	30,780

(If you have an employer pension plan, the limit is reduced by the pension adjustment)

OAS Clawback Thresholds (based on Net Income)

Starting	86,912
Maximum	141,917

Tax rates are approximate and are not meant for exact tax determination. Does not include the effects of any applicable tax credits, deductions, or the Ontario Health Premium.

The content of this pamphlet is prepared by **IMPACT CPAs LLP** for information only and are not intended to provide professional advice as individual situations will differ. We would be please to discuss your specific situation and tailor a tax plan to meet your requirements.

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