

2012 AUTOMOBILE DEDUCTION LIMITS

Effective January 1, 2012, the following limits apply:

Ceiling on capital cost of passenger vehicles remains at \$30,000, plus applicable taxes.

Ceiling on deductible leasing costs will remain at \$800, plus applicable taxes.

The limit on tax-exempt kilometer allowances is \$0.52 for the first 5,000 kilometers driven and \$0.46 for each additional kilometer. The limit on allowable interest deduction for amounts borrowed to purchase an automobile will remain at \$300 per month.

2011 / 2010 AVERAGE EXCHANGE RATES

COUNTRY	CURRENCY	2011	2010
United States	Dollar	0.9890	1.0299
European Union	Euro	1.3767	1.3661
United Kingdom	Pound Sterling	1.5860	1.5917
Japan	Yen	0.0124	0.0117

2012 / 2011 PAYROLL DEDUCTIONS

		2012	2011
CPP	Max Pensionable Earnings	\$ 50,100.00	\$ 48,300.00
	Basic Annual Exemption	\$ 3,500.00	\$ 3,500.00
	Contribution Rate	4.95%	4.95%
	Max Employee Contribution	\$ 2,306.70	\$ 2,217.60
EI	Max Annual Insurance Earnings	\$ 45,900.00	\$ 44,200.00
	Premium Rate	1.83%	1.78%
	Max Employee Annual Premium	\$ 839.97	\$ 786.76

CORPORATE TAX RATES

Combined Federal and BC Rates for the year ended:	ACTIVE INCOME UP TO \$500,000	NO SMALL BUSINESS DEDUCTION INCOME	NON-ACTIVE INVESTMENT INCOME
	December 31, 2011	13.50	26.50
March 31, 2012.....	13.50	26.13	44.67
June 30, 2012.....	13.50	25.75	44.67
September 30, 2012.....	13.50	25.38	44.67
A1December 31, 2012.....	13.50	25.00	44.67

PRESCRIBED INTEREST RATES

	RECEIVER TO	GENERAL PAYMENTS FROM	ALL OTHER PURPOSES
2010 - Q3	5%	3%	1%
	Q4	5%	3%
2011 - Q1	5%	3%	1%
	Q2	5%	3%
	Q3	5%	3%
	Q4	5%	3%
2012 - Q1	5%	3%	1%

HARMONIZED SALES TAX RATES

15% HST in Nova Scotia.

13% HST in Ontario, New Brunswick and Newfoundland & Labrador.

12% HST in BC (target date to return to GST/PST: March 31, 2013).

5% GST in all other provinces and the territories.

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OUR LOCAL FIRM'S SERVICES

We are a full service accounting firm. Whatever your financial, accounting, tax or computer needs may be, we can be of assistance.

Our Services Include:

Audits	Business Plans
Reviews	Budget Preparation
Compilations	Business Acquisitions
Corporate Income Taxes	Estate Planning
Personal Income Taxes	Business Valuations
Trust & Estate Income Taxes	Business Succession



CERTIFIED GENERAL ACCOUNTANTS

MAPLE RIDGE

22377 Dewdney Trunk Road, Maple Ridge, BC V2X 3J4
Telephone: (604) 467-5561 Fax: (604) 467-1219

Local Partners

PATRICK SMITH, CGA psmith@epcga.com
BETTY JOHANSEN, CGA bjohansen@epcga.com
KATHI HALPIN, CGA khalpin@epcga.com

LANGLEY

21542 48th Avenue, Langley, BC V3A 3M5
Telephone: (604) 534-1441 Fax: (604) 534-1491

Local Partners

PAUL WALKER, CGA pwalker@epcga.com
CHRISTINE KISS, CGA ckiss@epcga.com

WHITE ROCK

104 – 1656 Martin Drive, South Surrey, BC V4A 6E7
Telephone: (604) 536-7778 Fax: (604) 536-7745

Local Partner

GLENN PARKS, CGA gparks@epcga.com

Website: www.epcga.com

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QUICK TAX
2012

2011 FEDERAL AND BRITISH COLUMBIA PERSONAL TAX CREDITS		
Amount of credits:	FEDERAL AMOUNT	TOTAL Fed/BC CREDIT
Basic personal credit (\$11,088 BC)	\$10,527	\$2,140
Age amount (Born 1946 or earlier; 65 and over)	1 6,537	1,196
Spousal/Partner and eligible dependants credit	2 10,527	2,071
Infirm dependants aged 18 or older	2 4,282	852
Caregiver credit	2 4,282	852
Amount for Children born 1994 or later - per child	3 2,131	320
Canada Employment amount (maximum)	4 1,065	160
Pension income (maximum) (BC Max = \$1,000)	4 2,000	351
Disability credit	7,341	1,461
Education – Full time - per month	5	80
Education – Part time - per month	5	24
Credits as a percentage of:		
CPP contributions	6	20.06%
EI premiums	7	20.06%
Public transit passes (Federal credit only)	8	15.00%
Children's fitness / arts (Federal credit only)	9	15.00%
Adoption expenses	10	20.06%
Tuition, education, textbook and student loans	5,11	20.06%
Medical expenses (in excess of 3% Net Income)	12	20.06%
Charitable donations - first \$200	13	20.06%
- remainder		43.70%

- The Age Credit begins to reduce when the taxpayers net income reaches \$32,961 / \$31,664 and is fully reduced at \$76,541 / \$60,024 (Federal / BC).
- The value of these tax credits is reduced whenever the dependant's income exceeds specific threshold amounts; the thresholds are \$0 / \$973 for Spouse or Common-Law Partner; \$6,076 / \$6,611 for Infirm Dependant; and \$14,624 / \$14,048 for Caregiver Credit.
- Federal credit available for children under 18 (Born 1994 or later).
- Credits are lesser of qualifying income amounts and Federal maximums.
- In addition to tuition fees, a Full time student may also claim \$465 / \$200 per month enrolled; a Part-time student may claim \$140 / \$60 per month.
- Canada Pension Plan contribution is 4.95% of pensionable earnings. Basic exemption of \$3,500; Maximum CPP pensionable earnings are \$48,300.
- EI contribution rate is 1.78%. Maximum insurable earnings are \$44,200.
- You may be able to claim weekly, monthly or annual transit passes which permit unlimited travel within Canada for you, your spouse or your children.
- You may claim up to a maximum of \$500 per child, fees paid to specified programs during 2011 for children up to 16 years old.
- You may claim a credit for eligible adoption expenses related to the adoption of a child who is under the age of 18 up to a maximum of \$11,128.
- Tuition fees and educational credits are both transferable to a spouse, parent or grandparent. The maximum amount transferable is \$ 5,000 less the student's net income over \$ 10,572 / \$11,088. Unused amounts are available for carry forward by the student.
- Medical Expense Amount is equal to qualifying medical expenses in excess of 3% of net income or \$2,052 Federal, \$1,972 BC, whichever is greater.
- Charitable Donations may not exceed 75% of net income except in the event of death (100%). Excess amounts may be carried forward.
- The following amounts may be transferred from a spouse, to the extent that they are not needed to reduce his or her federal income tax to zero: age amount, pension amount, disability amount, amount for eligible children, tuition fees and education amount.
- OAS clawback begins at \$67,668 and is fully recovered at \$110,123.
- Working Income Tax Benefit (BC) For Singles: Income between \$4,750 and \$18,631; Max benefit (\$1,173) at \$11,731; For Family: Income between \$4,750 and \$26,764. Max benefit (\$1,862) at \$15,811;

Split numbers represent Federal / BC amounts

EPR QUICK TAX

INDIVIDUAL MARGINAL RATES - 2011			
TAXABLE INCOME	Income	Eligible	Dividends Regular
\$ 9,730 - \$ 17,493	15.00%	0.00%	0.00%
\$ 17,494 - \$ 36,146	20.06%	0.00%	4.16%
\$ 36,147- \$ 41,544	22.70%	0.00%	7.46%
\$ 41,545 - \$ 72,293	29.70%	4.16%	16.21%
\$ 72,294 - \$ 83,001	32.50%	8.11%	19.71%
\$ 83,002 - \$ 83,088	34.29%	10.63%	21.95%
\$ 83,089 - \$100,787	38.29%	16.27%	26.95%
\$ 100,788 - \$ 128,800	40.70%	19.67%	29.96%
\$ 128,801 AND OVER	43.70%	23.90%	33.71%

2011 FEDERAL / BRITISH COLUMBIA INCOME TAX					
TAXABLE INCOME	TOTAL TAX	TAXABLE INCOME	TOTAL TAX	TAXABLE INCOME	TOTAL TAX
10,000	-	47,000	7,207	86,000	19,330
11,000	-	48,000	7,495	88,000	20,096
12,000	-	49,000	7,789	90,000	20,862
13,000	106	50,000	8,086	92,000	21,628
14,000	246	51,000	8,383	94,000	22,393
15,000	386	52,000	8,680	96,000	23,159
16,000	526	53,000	8,977	98,000	23,925
17,000	666	54,000	9,274	100,000	24,691
18,000	805	55,000	9,571	110,000	28,742
19,000	945	56,000	9,868	120,000	32,812
20,000	1,163	57,000	10,165	130,000	36,918
21,000	1,382	58,000	10,462	140,000	41,288
22,000	1,601	59,000	10,759	150,000	45,658
23,000	1,820	60,000	11,056	160,000	50,028
24,000	2,040	61,000	11,353	170,000	54,398
25,000	2,259	62,000	11,650	180,000	58,768
26,000	2,478	63,000	11,947	190,000	63,138
27,000	2,697	64,000	12,244	200,000	67,508
28,000	2,916	65,000	12,541	210,000	71,878
29,000	3,135	66,000	12,838	220,000	76,248
30,000	3,348	67,000	13,135	230,000	80,618
31,000	3,535	68,000	13,432	250,000	89,358
32,000	3,722	69,000	13,729	300,000	111,208
33,000	3,909	70,000	14,026	350,000	133,058
34,000	4,096	71,000	14,323	400,000	154,908
35,000	4,283	72,000	14,620	450,000	176,758
36,000	4,470	73,000	14,936	500,000	198,608
37,000	4,680	74,000	15,261	550,000	220,458
38,000	4,894	75,000	15,586	600,000	242,308
39,000	5,107	76,000	15,911	650,000	264,158
40,000	5,321	77,000	16,236	700,000	286,008
41,000	5,534	78,000	16,561	750,000	307,858
42,000	5,780	79,000	16,886	800,000	329,708
43,000	6,063	80,000	17,211	850,000	351,558
44,000	6,347	81,000	17,536	900,000	373,408
45,000	6,633	82,000	17,861	950,000	395,258
46,000	6,920	84,000	18,564	1,000,000	417,108

** Tax computations above reflect basic employment income with claims for the basic personal amount, applicable CPP & EI credits and also the \$1,065 Federal Employment Tax Credit. Other deductions and credits will reduce income taxes at the appropriate rates.

2011 / 2012 MAJOR CHANGES

- 2011 Children's Arts Credit (15% on \$500 Max per child) for eligible art and cultural programs for children < 16years.
- 2011 Volunteer Firefighter Credit (15% of \$3,000 Max) for up to 200 verifiable hours where no honoraria paid.
- 2011 Medical Expenses for other Dependants no longer subject to \$10,000 maximum.
- 2011 claims of Child Tax Credit will remove the limitation of one claim per domestic establishment regardless of status.
- 2011 Tuition Credits may now include exam fees and ancillary costs paid for professional status examinations.
- Attribution of capital gains to minors will be required for transactions after March 22, 2011 resulting from a disposition of shares of a private corporation to a non-arm-length person, if taxable dividends on the shares would have been subject to tax on split income.
- 2011 minimum course durations for Foreign Tuition and Education Tax Credit is reduced from 13 to 3 weeks.
- 2011 RESP transfers between individual Registered Education Savings Plans for siblings is allowable without penalties or triggering repayment of Federal Grants.
- 2012 Family Caregiver Credit (15% of \$2,000 Max) for providing support of mental/physical infirm dependants and is added to existing credits giving new enhanced credits.
- In 2012, CPP Pensioners 60 to 70 years who re-enter the workforce are required to pay into CPP again. 65-70 year olds may file an election (Form CPT30) to opt out.

GOVERNMENT / CRA CONTACT

CRA - Individual Taxes 1-800-959-8281
 CRA - Business Services 1-800-959-5525
 HRDC - CPP/OAS/GIS 1-800-277-9914
 BC Government Agencies (Enquiry BC) 604-660-2421

PLANNING AND FILING DEADLINES IN 2012

- February 29:** Last day to issue T4's, T4A's and T5's.
February 29: Last day to make personal and spousal RRSP contributions applicable to the 2011 taxation year.
March 15, June 15, September 17 & December 17: Quarterly installments for taxpayers who are required to remit quarterly.
April 30: File Personal Income Tax Returns for 2011 and remit balance due, if any, to CRA.
June 15: Due date for Personal Tax Returns of individuals with self-employed business income, or spouses/common-law partners with self-employed business income. (Payment of tax balance still due by April 30).
December 31: Deadline for RRSP contributions in the year a taxpayer turns 71. This is also the deadline for converting RRSPs into RRIFs or Life Annuities in a taxpayer's 71st year.

The information in this booklet is general in nature; it discusses tax rates and planning in a broad sense. Accordingly, it should not be used in the context of a unique set of facts. Consult your local office of EPR in order to ensure you receive the appropriate advice as it relates to your individual circumstances.