

2008 AUTOMOBILE DEDUCTION LIMITS

Effective January 1, 2008, 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 kilometre allowances is \$0.52 for the first 5,000 kilometres driven and \$0.46 for each additional kilometre. The limit on allowable interest deduction for amounts borrowed to purchase an automobile will remain at \$300/mth.

2007 AVERAGE EXCHANGE RATES

COUNTRY	CURRENCY	2007	2006
European Union	Euro	1.4691	1.4237
United Kingdom	Pound Sterling	2.1486	2.0886
United States	Dollar	1.0748	1.1341

2008 / 2007 PAYROLL DEDUCTIONS

		2008	2007
CPP	Max Pensionable Earnings	\$ 44,900.00	\$ 43,700.00
	Basic Annual Exemption	\$ 3,500.00	\$ 3,500.00
	Contribution Rate	4.95%	4.95%
	Max Employee Contribution	\$ 2,049.30	\$ 1,989.90
EI	Max Annual Insurance Earnings	\$ 41,100.00	\$ 40,000.00
	Premium Rate	1.73%	1.80%
	Max Employee Annual Premium	\$ 711.03	\$ 720.00

2008 CORPORATE TAX RATES

Combined Federal and BC Rates for the year ended:	INCOME UP TO \$400,000	INCOME > \$400,000	NON-SMALL BUSINESS INCOME
December 31, 2007...	17.62	34.12	47.79
January 31, 2008.....	17.44	33.90	47.69
February 29, 2008.....	17.27	33.69	47.60
March 31, 2008.....	17.09	33.47	47.51
April 30, 2008.....	16.92	33.25	47.42
May 31, 2008.....	16.74	33.03	47.32
June 30, 2008.....	16.57	32.82	47.23
July 31, 2008.....	16.39	32.60	47.14
August 31, 2008.....	16.21	32.37	47.04
September 30, 2008..	16.03	32.16	46.95
October 31, 2008.....	15.85	31.94	46.85
November 30, 2008...	15.68	31.72	46.76
December 31, 2008...	15.50	31.50	46.67

The above rates for the first two columns assume the company is eligible for the Small Business Deduction (SBD); the third column represents tax rates for Non-Active Investment Income

PRESCRIBED INTEREST RATES

	RECEIVER GENERAL PAYMENTS		ALL OTHER PURPOSES	
	TO	FROM		
2006 - Q3	8%	6%	4%	
	9%	7%	5%	
2007 - Q1	9%	7%	5%	
	9%	7%	5%	
	9%	7%	5%	
	9%	7%	5%	
2008 - Q1	8%	6%	4%	

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Certified General Accountants

QUICK TAX
2008

**2007 FEDERAL AND BRITISH COLUMBIA
PERSONAL TAX CREDITS**

Amount of credits:	FEDERAL TOTAL	
	AMOUNT	CREDIT
Basic personal credit (\$9,027 BC)	\$9,600	\$1,955
Age amount (Born 1942 or earlier; 65 and over)	1 5,177	1,007
Spousal/Partner and eligible dependants credit	2 9,600	1,881
Infirm dependants aged 18 or older	2 4,019	828
Caregiver credit	2 4,019	828
Amount for Children born 1990 or later - per child	3 2,000	300
Canada Employment amount (maximum)	4 1,000	150
Pension income (maximum) (BC Max = \$1,000)	4 2,000	357
Disability credit	6,890	1,419
Education – Full time - per month	5	81
Education – Part time - per month	5	24
Credits as a percentage of:		
CPP contributions	6	20.70%
EI premiums	7	20.70%
Public transit passes (Federal credit only)	8	15.00%
Children's fitness amount (Federal credit only)	9	15.00%
Adoption expenses	10	20.70%
Tuition, education, textbook and student loans	11	20.70%
Medical expenses	12	20.70%
Charitable donations - first \$200	13	20.70%
–remainder		43.70%

- The Age Credit begins to reduce when the taxpayers net income reaches \$30,936 / 30,132 and is fully reduced at \$65,449 / 57,119.
- The value of these tax credits is reduced whenever the dependant's income exceeds specific threshold amounts; the Federal / BC thresholds are \$0 / 773 for Spouse or Common-Law Partner; \$5,702 / 6,292 for Infirm Dependant; \$13,726 / 13,368 for Caregiver Credit.
- Federal credit available for children under 18 (Born 1990 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 \$43,700.
- EI contribution rate is 1.80%. Maximum insurable earnings are \$40,000.
- You may claim 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 during 2007 for children up to 16 years old in a specified program requiring physical activity.
- 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 \$10,445.
- 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 \$ 9,600 / \$9,027. Unused amounts are available for carryforward by the student.
- Medical Expense Amount is equal to qualifying medical expenses in excess of 3% of net income or \$1,926 Federal, \$1,877 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 \$63,511 and is fully recovered at \$102,864.
- Working Income Tax Benefit (WITB) For Singles: income between \$4,750 and \$14,118; Max benefit (\$785) at \$9,500. For Family: income between \$4,750 and \$21,206; Max benefit (\$1,395) at \$13,000.

Split numbers represent Federal / BC amounts



QUICK TAX

INDIVIDUAL MARGINAL RATES - 2007

TAXABLE INCOME	Dividends		
	Income	Eligible	Regular
\$ 9,028 - \$ 16,646	15.00%	0.00%	0.00%
\$ 16,647 - \$ 34,397	20.70%	0.00%	2.83%
\$ 34,398 - \$ 37,178	23.65%	0.00%	6.52%
\$ 37,179 - \$ 68,794	30.65%	0.00%	15.27%
\$ 68,795 - \$ 74,357	31.10%	0.20%	15.83%
\$ 74,358 - \$ 78,984	37.10%	8.90%	23.33%
\$ 78,985- \$ 95,909	39.00%	11.65%	25.71%
\$ 95,910 - \$ 120,887	40.70%	14.12%	27.83%
\$ 120,888 AND OVER	43.70%	18.47%	31.58%

2007 FEDERAL / BRITISH COLUMBIA INCOME TAX

TAXABLE INCOME	TOTAL TAX	TAXABLE INCOME	TOTAL TAX	TAXABLE INCOME	TOTAL TAX
10,000	-	47,000	8,123	86,000	21,097
11,000	-	48,000	8,430	88,000	21,877
12,000	114	49,000	8,737	90,000	22,657
13,000	254	50,000	9,043	92,000	23,437
14,000	394	51,000	9,350	94,000	24,217
15,000	534	52,000	9,656	96,000	24,998
16,000	674	53,000	9,963	98,000	25,812
17,000	850	54,000	10,269	100,000	26,626
18,000	1,077	55,000	10,575	110,000	30,696
19,000	1,304	56,000	10,882	120,000	34,766
20,000	1,531	57,000	11,189	130,000	39,110
21,000	1,758	58,000	11,495	140,000	43,480
22,000	1,985	59,000	11,802	150,000	47,850
23,000	2,212	60,000	12,108	160,000	52,220
24,000	2,439	61,000	12,415	170,000	56,590
25,000	2,666	62,000	12,721	180,000	60,960
26,000	2,893	63,000	13,028	190,000	65,330
27,000	3,143	64,000	13,334	200,000	69,700
28,000	3,336	65,000	13,640	210,000	74,070
29,000	3,529	66,000	13,947	220,000	78,440
30,000	3,722	67,000	14,254	230,000	82,810
31,000	3,915	68,000	14,560	250,000	91,550
32,000	4,108	69,000	14,871	300,000	113,400
33,000	4,301	70,000	15,202	350,000	135,250
34,000	4,494	71,000	15,533	400,000	157,100
35,000	4,705	72,000	15,864	450,000	178,950
36,000	4,928	73,000	16,195	500,000	200,800
37,000	5,150	74,000	16,526	550,000	222,650
38,000	5,431	75,000	16,883	600,000	244,500
39,000	5,723	76,000	17,253	650,000	266,350
40,000	6,016	77,000	17,625	700,000	288,200
41,000	6,312	78,000	17,995	750,000	310,050
42,000	6,608	79,000	18,367	800,000	331,900
43,000	6,905	80,000	18,757	850,000	353,750
44,000	7,204	81,000	19,147	900,000	375,600
45,000	7,511	82,000	19,537	950,000	397,450
46,000	7,817	84,000	20,317	1,000,000	419,300

** Tax computations above reflect basic employment income with claims for the basic personal amount, applicable CPP & EI credits and also the \$1,000 Federal Employment Tax Credit. Other deductions and credits will reduce income taxes at the appropriate rates.

MAJOR CHANGES IN 2007

The lowest personal income tax rate has been reduced to 15%.

Pension income splitting is available for up to one-half of income that qualifies for the existing pension income tax credit.

No Capital Gains on publicly traded shares and stock options when they are donated to a Canadian registered charity.

Age Limit for RRSP contributions has increased from 69 to 71.

Lifetime Capital Gains Exemption on QSBC shares, farm or fishing property has increased to \$750,000.

New Federal Tax Credit (\$2,000) for children age up to 18.

Canada Employment Amount increased to \$1,000.

Children's Fitness Tax Credit for eligible fees up to \$500 per child age 16 years old or less.

Eligible Adoption expenses up to \$10,445 for children under 18.

Working income tax benefit intended to provide tax relief benefit for eligible working low income individuals and their families.

PLANNING AND FILING DEADLINES IN 2008

February 29:
Last day to issue T4's, T4A's and T5's.

Last day to make personal and spousal RRSP contributions applicable to the 2007 taxation year.

March, June, September & December 15:
Quarterly instalments due from taxpayers who are required to remit quarterly.

April 30:
File Personal Income Tax Returns for 2007 and remit balance due, if any, to CRA.

June 16:
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:
Of the year the taxpayer turns 71, is the final date to make RRSP contributions. It is also the deadline for such individuals to convert their RRSP's into either RRIF's or life annuities.

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.