

2010 AUTOMOBILE DEDUCTION LIMITS

Effective January 1, 2010, 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 \$052 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.

2009 / 2008 AVERAGE EXCHANGE RATES

COUNTRY	CURRENCY	2009	2008
United States	Dollar	1.1420	1.0660
European Union	Euro	1.5855	1.5603
United Kingdom	Pound Sterling	1.7804	1.9616
Japan	Yen	0.012	0.0104

2010 / 2009 PAYROLL DEDUCTIONS

		2010	2009
CPP	Max Pensionable Earnings	\$47,200.00	\$ 46,300.00
	Basic Annual Exemptior	\$ 3,500.00	\$ 3,500.00
	Contribution Rate	4.95%	4.95%
	Max Employee Contribution	\$ 2,163.15	\$ 2,118.60
EI	Max Annual Insurance Earnings	\$43,200.00	\$ 42,300.00
	Premium Rate	1.73%	1.73%
	Max Employee Annual Premium	\$ 747.36	\$ 731.79

CORPORATE TAX RATES

Combined Federal and BC Rates for the year ended:	ACTIVE	NO SMALL	
	INCOME	BUSINESS	NON-ACTIVE
	UP TO \$500,000	DEDUCTION INCOME	INVESTMENT INCOME
December 31, 2009 ...	13.50	30.00	45.67
January 31, 2010.....	13.50	29.86	45.63
February 28, 2010.....	13.50	29.75	45.59
March 31, 2010.....	13.50	29.62	45.55
April 30, 2010.....	13.50	29.50	45.50
May 31, 2010.....	13.50	29.37	45.46
June 30, 2010.....	13.50	29.26	45.43
July 31, 2010.....	13.50	29.13	45.38
August 31, 2010.....	13.50	28.99	45.34
September 30, 2010...	13.50	28.87	45.29
October 31, 2010.....	13.50	28.76	45.26
November 30, 2010.....	13.50	28.64	45.21
December 31, 2010.....	13.50	28.50	45.17

PRESCRIBED INTEREST RATES

	RECEIVER GENERAL PAYMENTS		ALL OTHER PURPOSES
	TO	FROM	
2008 - Q3	7%	5%	3%
	Q4	7%	3%
2009 - Q1	6%	4%	2%
	Q2	5%	1%
	Q3	5%	1%
	Q4	5%	1%
2010 - Q1	5%	3%	1%

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

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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@eprcga.com
 BETTY JOHANSEN, CGA bjohansen@eprcga.com
 KATHI HALPIN, CGA khalpin@eprcga.com

LANGLEY

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

Local Partner – PAUL WALKER, CGA
pwalker@eprcga.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@eprcga.com

Website: www.eprcga.com

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Certified General Accountants

QUICK TAX
 2010

2009 FEDERAL AND BRITISH COLUMBIA PERSONAL TAX CREDITS		
Amount of credits:	FEDERAL AMOUNT	TOTAL Fed/BC CREDIT
Basic personal credit (\$9,373 BC)	\$10,320	\$2,022
Age amount (Born 1944 or earlier; 65 and over)	1 6,408	1,174
Spousal/Partner and eligible dependants credit	2 10,320	1,954
Infirm dependants aged 18 or older	2 4,198	837
Caregiver credit	2 4,198	837
Amount for Children born 1992 or later - per child	3 2,089	313
Canada Employment amount (maximum)	4 1,044	157
Pension income (maximum) (BC Max = \$1,000)	4 2,000	351
Disability credit	7,196	1,435
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 amount (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 \$32,312 / 31,288 and is fully reduced at \$75,032 / 59,308 (Federal / BC).
- The value of these tax credits is reduced whenever the dependant's income exceeds specific threshold amounts; the thresholds are \$0 / 803 for Spouse or Common-Law Partner; \$5,956 / 6,533 for Infirm Dependant; and \$14,336 / 13,881 for Caregiver Credit.
- Federal credit available for children under 18 (Born 1992 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 \$46,300.
- EI contribution rate is 1.73%. Maximum insurable earnings are \$42,300.
- 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 during 2009 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 \$10,909.
- 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 \$ 10,320 / \$9,373. 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 \$2,011 Federal, \$1,949 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 \$66,335 and is fully recovered at \$107,692.
- Working Income Tax Benefit (WITB) For Singles: Income between \$4,750 and \$14,746; Max benefit (\$820) at \$9,923; For Family: Income between \$4,750 and \$22,148; Max benefit (\$1,457) at \$13,578;

Split numbers represent Federal / BC amounts



QUICK TAX

INDIVIDUAL MARGINAL RATES - 2009			
TAXABLE INCOME	Income	Eligible	Dividends Regular
\$ 9,373 - \$ 17,285	15.00%	0.00%	0.00%
\$ 17,286 - \$ 35,716	20.06%	0.00%	3.16%
\$ 35,717 - \$ 40,726	22.70%	0.00%	6.46%
\$ 40,727 - \$ 71,433	29.70%	0.00%	15.21%
\$ 71,434 - \$ 81,452	32.50%	3.68%	18.71%
\$ 81,453 - \$ 82,014	36.50%	9.48%	23.71%
\$ 82,015 - \$ 99,588	38.29%	12.07%	25.95%
\$ 99,589 - \$ 126,264	40.70%	15.57%	28.96%
\$ 126,265 AND OVER	43.70%	19.92%	32.71%

2009 FEDERAL / BRITISH COLUMBIA INCOME TAX					
TAXABLE INCOME	TOTAL TAX	TAXABLE INCOME	TOTAL TAX	TAXABLE INCOME	TOTAL TAX
10,000	-	47,000	7,414	86,000	19,659
11,000	-	48,000	7,711	88,000	20,425
12,000	1	49,000	8,008	90,000	21,190
13,000	141	50,000	8,305	92,000	21,956
14,000	281	51,000	8,602	94,000	22,722
15,000	421	52,000	8,899	96,000	23,488
16,000	561	53,000	9,196	98,000	24,254
17,000	701	54,000	9,493	100,000	25,029
18,000	859	55,000	9,790	110,000	29,099
19,000	1,079	56,000	10,087	120,000	33,169
20,000	1,298	57,000	10,384	130,000	37,351
21,000	1,517	58,000	10,681	140,000	41,721
22,000	1,736	59,000	10,978	150,000	46,091
23,000	1,955	60,000	11,275	160,000	50,461
24,000	2,175	61,000	11,572	170,000	54,831
25,000	2,394	62,000	11,869	180,000	59,201
26,000	2,613	63,000	12,166	190,000	63,571
27,000	2,832	64,000	12,463	200,000	67,941
28,000	3,051	65,000	12,760	210,000	72,311
29,000	3,271	66,000	13,057	220,000	76,681
30,000	3,472	67,000	13,354	230,000	81,054
31,000	3,659	68,000	13,651	250,000	89,791
32,000	3,846	69,000	13,948	300,000	111,641
33,000	4,033	70,000	14,245	350,000	133,491
34,000	4,221	71,000	14,542	400,000	155,341
35,000	4,408	72,000	14,855	450,000	177,191
36,000	4,602	73,000	15,180	500,000	199,041
37,000	4,816	74,000	15,505	550,000	220,891
38,000	5,030	75,000	15,830	600,000	242,741
39,000	5,243	76,000	16,155	650,000	264,591
40,000	5,457	77,000	16,480	700,000	286,441
41,000	5,690	78,000	16,805	750,000	308,291
42,000	5,973	79,000	17,130	800,000	330,141
43,000	6,259	80,000	17,455	850,000	351,991
44,000	6,546	81,000	17,780	900,000	373,841
45,000	6,833	82,000	18,127	950,000	395,691
46,000	7,120	84,000	18,893	1,000,000	417,541

** Tax computations above reflect basic employment income with claims for the basic personal amount, applicable CPP & EI credits and also the \$1,044 Federal Employment Tax Credit. Other deductions and credits will reduce income taxes at the appropriate rates.

MAJOR CHANGES IN 2009 / 2010

In 2009, the First Time Home Buyers RRSP withdrawal amount maximum of \$20,000 is being increased to \$25,000.

BC Apprentice Tax Credit increased from \$2,000 to \$4,000 for each apprentice, effective July 1, 2009.

Home owners can claim a 15% tax credit (max \$1,350) of home renovations made between January 27, 2009 and February 1, 2010 for eligible expenditures over \$1,000 to a maximum of \$10,000.

First time home buyers may also claim a 15% tax credit of the first \$5,000 of the cost of an eligible home (\$750 tax saving).

Federal Small Business Deduction (SBD) limit increased to \$500,000 effective January 1, 2009.

BC Small Business Deduction (SBD) limit increased to \$500,000 effective January 1, 2010.

Proposed electronic filing requirements for GST/HST registrants with greater than \$1.5 million annual taxable supplies will begin in July 1, 2010.

HST replaces GST and Provincial Sales Tax in BC and Ontario effective July 1, 2010. Transition dates and rules are in place.

PLANNING AND FILING DEADLINES IN 2010

March 1: Last day to issue T4's, T4A's and T5's.

March 1: Last day to make personal and spousal RRSP contributions applicable to the 2009 taxation year.

March 15, June 15, September 15 & December 15: Quarterly installments for taxpayers who are required to remit quarterly.

April 30: File Personal Income Tax Returns for 2009 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: 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.