

2004-2005 TAX FACTS FOR ONTARIO RESIDENTS

TAX RATES ON ACTIVE CORPORATE INCOME FOR 2004 AND 2005

CCPC Active Income	2005	2004
\$ 0—\$ 250,000	18.62%	18.62%
\$250,001—\$ 300,000	18.62%	27.62%
\$300,001—\$ 400,000	27.62%	27.62%
\$400,001—\$1,128,520	40.79%	40.79%
> \$1,128,520	36.12%	36.12%
CCPC Investment Income	2005	2004
Other	49.79%	49.79%
Capital Gains	24.90%	24.90%

PERSONAL TAX BRACKETS FOR SALARY AND DIVIDENDS IN 2005

Taxable Income	Marginal Tax Rate On Salary	Marginal Tax Rate on Cash Dividends	Marginal Tax Rate on Capital Gains
\$ 0—\$ 8,148	0.00%	0.00%	0.00%
\$ 8,149—\$ 34,010	22.05%	4.48%	11.03%
\$34,011—\$ 35,595	25.15%	8.36%	18.09%
\$35,596—\$ 59,882	31.15%	15.86%	15.58%
\$59,883—\$ 68,020	32.98%	16.86%	16.49%
\$68,021—\$ 70,559	35.39%	19.88%	17.70%
\$70,560—\$ 71,190	39.41%	22.59%	19.71%
\$71,191—\$115,739	43.41%	27.59%	21.71%
> \$115,739	46.41%	31.34%	23.21%

RRSP LIMITS

Year	RRSP Deduction Limit	Prior Year Earned Income Required to Maximize RRSP
2005	\$ 16,500	\$ 91,667
2006	\$ 18,000	\$ 100,000

CPP & EI LIMITS

Year	CPP Limit	Maximum Pensionable Earnings	EI—Employee Limit	EI—Employer Limit	EI—Maximum Earnings
2004	\$ 1,831.50	\$ 40,500	\$ 772.20	\$ 1,081.08	\$ 39,000
2005	\$ 1,861.20	\$ 41,100	\$ 760.50	\$ 1,064.70	\$ 39,000

Note: Employer and employees pay the same CPP amount.

PRESCRIBED INTEREST RATES

(Note: These rates are for shareholder loans—refunds add 2%, overdue balances add 4%)

Quarter	2005	2004
1st quarter	3%	3%
2nd quarter	3%	3%
3rd quarter	3%	2%
4th quarter	3%	3%

ONTARIO HEALTH PREMIUM RATES

Taxable Income threshold level	Phase-in Rate	Total premium for threshold	Cumulative premium
\$ 0—\$ 20,000	0%	\$ 0	\$ 0
\$ 20,001—\$ 25,000	6%	\$ 300	\$ 300
\$ 36,000—\$ 38,500	6%	\$ 150	\$ 450
\$ 48,000—\$ 48,600	25%	\$ 150	\$ 600
\$ 72,000—\$ 72,600	25%	\$ 150	\$ 750
\$200,000—\$200,600	25%	\$ 150	\$ 900

Note: No additional premium is payable for amounts in between the threshold levels (e.g., income between \$25,001-\$35,999 attracts no additional premium).

AUTOMOBILE AMOUNTS

Claim Description	2005	2004
Tax-exempt car reimbursements—first 5,000 km	45 cents/km	42 cents/km
—after 5,000 km	39 cents/km	36 cents/km
CCA threshold—Class 10.1	\$30,000	\$30,000
Interest expense limit	\$300/month	\$300/month
Leasing limit per month	\$800/mo+taxes	\$800/mo+taxes
Operating expense benefit re: standby charge	20 cents/km	17 cents/km

CLAWBACK OF OLD AGE SECURITY

Year	OAS Benefit	Start of Clawback @ 15% if income is greater than	OAS fully clawed back when income is greater than
2004	\$ 5,593	\$ 59,790	\$ 97,075

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