

Federal and Provincial Income Tax Rates and Brackets for 2008 and 2009^a

	Tax Rates	Tax Brackets	Surtax Rates	Surtax Thresholds
Federal ^b	15.00% 22.00 26.00 29.00	Up to \$37,885 37,886–75,769 75,770–123,184 123,185 and over		
British Columbia ^c	5.24% [5.06%] 7.98 [7.70] 10.50 12.29 14.70	Up to \$35,016 35,017–70,033 70,034–80,406 80,407–97,636 97,637 and over		
Alberta	10.00%	All income		
Saskatchewan ^d	11.00% 13.00 15.00	Up to \$39,135 39,136–111,184 111,185 and over		
Manitoba ^e	10.90% [10.80%] 12.75 17.40	Up to \$30,544 30,545–66,000 66,001 and over		
Ontario ^f	6.05% 9.15 11.16	Up to \$36,020 36,021–72,041 72,042 and over	20% 36	\$4,162 5,249
Québec ^g	16.00% 20.00 24.00	Up to \$37,500 37,501–75,000 75,001 and over		
New Brunswick ^h	10.12% 15.48 16.80 17.95	Up to \$34,836 34,837–69,673 69,674–113,273 113,274 and over		
Nova Scotia ⁱ	8.79% 14.95 16.67 17.50	Up to \$29,590 29,591–59,180 59,181–93,000 93,001 and over	10%	\$10,000
Prince Edward Island ⁱ	9.80% 13.80 16.70	Up to \$31,984 31,985–63,969 63,970 and over	10%	\$12,500
Newfoundland ^j	8.20% 13.30 16.00	Up to \$30,215 30,216–60,429 60,430 and over		

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Notes

- (a) The tax and surtax rates indicated in the table apply to both 2008 and 2009, with the exception of British Columbia's and Manitoba's tax rates. The rates indicated in parentheses will apply in 2009. No other 2008 rate changes have been announced to date.

The tax brackets and surtax thresholds indicated in the table are those that apply for 2008; the 2009 amounts will be indexed as outlined in the notes below.

- (b) The 2008 federal tax brackets will be indexed for inflation once the inflation factor for the year is determined. The inflation factor is based on the change in the average federal inflation rate over the 12-month period ending September 30 of the previous year compared to the change in the rate for the same period of the year prior to that. The federal inflation factor is 1.9% for 2008.
- (c) British Columbia's first and second tax rates will decrease in 2009 as indicated in the table. The province indexes its tax brackets using the same formula as that used federally, but uses the provincial inflation rate rather than the federal rate in the calculation. The province's inflation factor is 1.8% for 2008.
- (d) Saskatchewan indexes its tax brackets using an inflation factor that is set by the province each fall. The province's inflation factor is 1.9% for 2008.
- (e) Manitoba's 2008 budget confirmed that the first tax bracket threshold will increase to \$31,000 effective January 1, 2009. Subject to balanced budget requirements, the government plans to further increase this threshold to \$32,000 on January 1, 2010 and to \$35,000 on January 1, 2011. Subject to balanced budget requirements, the government plans to decrease the tax rate applicable to the first bracket to 10.7% on January 1, 2010 and to 10.5% on January 1, 2011. The province's 2008 budget also confirmed that the middle tax bracket will increase to \$67,000 on January 1, 2009. Subject to balanced budget requirements, the government plans to further increase this threshold to \$68,000 on January 1, 2010, and to \$70,000 on January 1, 2011. Manitoba does not index its tax brackets.

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Notes, continued

- (f) Ontario indexes its tax brackets and surtax thresholds using the same formula as that used federally, but uses the provincial inflation rate rather than the federal rate in the calculation. The province's inflation factor is 1.5% for 2008.

Ontario resident individuals with taxable income over \$20,000 are also required to pay a Health Premium each year. The premiums are graduated based on taxable income. The following are examples of the amount of premiums that apply at the various taxable income levels:

Taxable income	Premium
\$ 25,000	\$ 300
50,000	600
75,000	750
201,000	900

- (g) Québec has proposed to increase the first and second tax bracket thresholds to \$37,500 and \$75,000 respectively effective January 1, 2008. Indexation of these brackets will resume in 2009.
- (h) New Brunswick indexes its tax brackets using the same formula as that used federally. The province's inflation factor is therefore 1.9% for 2008.
- (i) Nova Scotia and Prince Edward Island do not index their tax brackets or surtax thresholds. However, Nova Scotia's 2008 budget announced that the personal income tax brackets will be indexed starting in 2011.
- (j) Newfoundland indexes its tax brackets using the same formula as that used federally, but uses the applicable provincial inflation rate rather than the federal rate in the calculation. The province's inflation factor is 1.1% for 2008.