

Non-Refundable Personal Tax Credits — 2014

(Prepared from information available as of June 13, 2014)

The two tables below contain information concerning select non-refundable personal tax credits. The first contains the federal and provincial/territorial rates used in the calculation of personal tax credits. The second shows the value of the credits. Provinces and territories use their own prescribed amounts to determine their personal tax credits.

		Personal tax credit rates (See table below for some limitations)													
		Federal	Alt.	B.C.	Man.	N.B.	Nfld. & Lab.	N.W.T.	N.S.	Nun.	Ont.	P.E.I.	Que. ¹	Sask.	Yukon
General factor²		15% ⁵	10%	5.06%	10.8%	9.68%	7.7%	5.9%	8.79%	4%	5.05%	9.8%	20%	11%	7.04%
Charitable donations	First \$200														
	Amount over \$200	29% ⁵	21%	14.7%	17.4%	17.95%	13.3%	14.05%	21%	11.5%	11.16%	16.7%	24%	15%	12.76%
Dividend tax credit³ (on grossed-up amount)	Eligible	15.02%	10%	10%	8%	12%	5.4% ⁷	11.5%	8.85%	5.51%	10% ⁴	10.5%	11.9%	11%	15.08%
	Non-eligible ⁴	11.02%	3.1%	2.59%	0.83%	5.3%	4.1% ⁷	6%	5.87%	3.05%	4.5%	3.2%	7.05%	3.4%	4.03%

		Maximum value (before surtaxes) of credits that are based on prescribed amounts														
		Federal amounts	Federal ⁸	Alt.	B.C.	Man.	N.B.	Nfld. & Lab.	N.W.T.	N.S.	Nun.	Ont.	P.E.I.	Que. ¹	Sask.	Yukon
Basic Spouse		\$11,138 ⁶	\$1,671 ⁶	\$1,779	\$499	\$986	\$917	\$661				\$488	\$755	\$2,261 ¹		\$784 ⁶
Equivalent to spouse					\$428	\$986	\$779	\$540	\$806	\$745	\$503	\$415	\$642	N/A	\$1,692	\$784 ⁶
												\$617				
Age 65		\$6,916	\$1,037	\$496	\$224	\$403	\$448	\$422	\$394	\$364	\$377	\$238	\$369	\$487 ¹	\$515 ⁹	\$487
	Basic	\$7,766	\$1,165	\$1,372	\$375	\$667	\$742	\$446	\$654	\$645	\$503	\$395	\$675	\$514		\$547
Disability	Under 18 supplement	\$4,530	\$680										\$394		\$997	\$319
Infirm dependant (18 or over)		\$6,589 ⁶	\$988 ⁶	\$1,030	\$218	\$389	\$433	\$210	\$267		\$181	\$230	\$240	N/A ¹		\$464 ⁶
Caregiver		\$4,530 ⁶	\$680 ⁶										\$431			\$319 ⁶
Pension income		\$2,000	\$300	\$137	\$51	\$108	\$97	\$77	\$59	\$103	\$80	\$68	\$98	\$432 ¹	\$110	\$141
Child		\$2,255 ⁶	\$338 ⁶		N/A			N/A ¹⁰	N/A	N/A ¹¹		N/A	N/A ¹¹	N/A	\$642	\$159 ⁶
Adoption		\$15,000	\$2,250	\$1,217	\$759	\$1,080	N/A	\$891		N/A		\$596	N/A	N/A ¹	N/A	\$1,056
Children's fitness		\$500	\$75	N/A	\$25	\$54		N/A		\$44	N/A	N/A ¹²	N/A	N/A ¹	N/A ¹²	\$35
Children's arts										N/A						
Canada Pension Plan (CPP)		\$2,426	\$364	\$243	\$123	\$262	\$235	\$187	\$143	\$213	\$97	\$122	\$238	N/A	\$267	\$171
Quebec Pension Plan (QPP)		\$2,536	\$380						N/A					N/A ¹		N/A
Employment Insurance (EI)	not in Quebec	\$914	\$137	\$91	\$46	\$99	\$88	\$70	\$54	\$80	\$37	\$46	\$90	N/A	\$101	\$64
	in Quebec	\$744 ¹	\$112						N/A					N/A ¹		N/A
Canada Employment		\$1,127	\$169						N/A							\$79
Education	Full-time	\$400	\$60	\$69	\$10	\$43	\$39	\$15	\$24	\$18	\$16	\$26	\$39	\$417 ¹	\$44	\$28
	Part-time	\$120	\$18	\$21	\$3	\$13	\$12	\$5	\$7	\$5	\$5	\$8	\$12	N/A	\$13	\$8
Textbook	Full-time	\$65	\$10								\$3			N/A		\$5
	Part-time	\$20	\$3								\$1					\$1
												× 1.2 or × 1.56	× 1.1		× 1.05	

Factors at bottom of table increase value of credits to reflect surtaxes.¹³

Notes:

- See below for Quebec's special credits and rules.
- The general factor, multiplied by the federal (or provincial/territorial) amount, yields the value of the federal (or provincial/territorial) credit.
- Eligible dividends are designated as such by the payor. They are grossed up by 38% and include dividends paid by:
 - public corporations or other corporations that are not Canadian-controlled private corporations (CCPCs), are resident in Canada and are subject to the federal general corporate income tax rate (i.e., 15% in 2014); or
 - CCPCs, to the extent that the CCPC's income is:
 - not investment income (other than eligible dividends from public corporations); and
 - subject to the federal general corporate income tax rate (i.e., the income is active business income not subject to the federal small business rate).

Non-eligible dividends are grossed up by 18% and include dividends paid out of either income eligible for the federal small business rate or a CCPC's investment income (other than eligible dividends received from public corporations).

- For non-eligible dividends paid after 2013:
 - the gross-up for non-eligible dividends decreased from 25% to 18% (the decrease automatically applies to all provinces and territories, except Quebec; however, Quebec is harmonizing with the federal 18% gross-up); and
 - the non-eligible dividend tax credit rate decreased from 13.3333% to 11.0169%.

The effects of these federal changes on the provincial/territorial non-eligible dividend tax credit rates follow:

- British Columbia, Nova Scotia, Nunavut and the Yukon – the rate is linked to the federal dividend gross-up for non-eligible dividends. The rates in the table assume that the rate will decrease after 2013 because of the decrease to the federal gross-up for non-eligible dividends (i.e., the province/territory has not changed its legislation or otherwise revised its dividend rules).

- New Brunswick – the rate is assumed to remain at 5.3%. According to a New Brunswick Finance official, the government has not yet made a decision to change the 5.3% rate after 2013. Amendments to the legislation will be required to ensure that the calculation in the legislation yields the intended rate.
- Alberta, Manitoba, Newfoundland and Labrador (also see footnote 7), Ontario (but, see below), Prince Edward Island, Quebec and Saskatchewan – the rate was announced by the respective province.
- Northwest Territories – the rate is fixed under the territory’s legislation.

Ontario’s eligible and non-eligible dividend tax credit rates assume that the proposed changes announced in the province’s 2013 Fall Economic Statement will be implemented. Starting 2014, the 2013 Fall Economic Statement:

- changes how dividend tax rates are determined by calculating the Ontario surtax before deducting dividend tax credits from Ontario tax;
 - maintains the non-eligible dividend tax credit rate at 4.5% (it would otherwise decrease to 3.72% in 2014); and
 - increases the eligible dividend tax credit rate from 6.4% to 10%.
5. A temporary First-time Donor’s Super Credit (FDSC) can be claimed by first-time donors only once in a taxation year after 2012 and before 2018. The FDSC is an additional 25% tax credit (on top of claiming the Charitable Donations Tax Credit) on up to \$1,000 of donations made after March 20, 2013.
 6. Caregivers of dependants with a mental or physical infirmity can claim the Family Caregiver Tax Credit. This credit, which is valued at \$309 (i.e., \$2,058 x 15%), is already included in the infirm dependant (18 or over) tax credit, or increases the spouse/equivalent to spouse, caregiver or child tax credit. Only one Family Caregiver Tax Credit can be claimed for each infirm dependant. The Yukon has paralleled this credit, with an increase of up to \$152 (i.e., \$2,058 x 7.04% x 1.05).
 7. For Newfoundland and Labrador, the dividend tax credit rates shown in the table are for dividends paid after June 30, 2014. For dividends paid before July 1, 2014, the dividend tax credit rates are 11% for eligible dividends and 5% for non-eligible dividends.
 8. In Quebec, federal values are reduced by 16.5%.
 9. In Saskatchewan, an additional credit of \$136 is available to individuals who are 65 or older, regardless of their income.
 10. In Newfoundland and Labrador, parents can claim a non-refundable tax credit amount equal to the child care expenses that are deductible from their income.
 11. A non-refundable tax credit for children under six is available in Nova Scotia (up to \$105 per year), in Nunavut (\$48 per year) and Prince Edward Island (up to \$129 per year).
 12. A refundable tax credit for children is available in Ontario for fitness and certain non-fitness activities, and in Saskatchewan for cultural, recreational and sports activity fees.
 13. For taxpayers affected by provincial/territorial surtaxes, the value of the credits shown will be higher by the factors indicated. For example, for a taxpayer in Ontario’s top bracket, the \$488 shown for the basic Ontario credit would be worth \$761 (i.e., 488×1.56). However, see footnote 4 for a proposed exception in Ontario for dividend tax credit rates.

Quebec's Special Credits and Rules — 2014

The following special rules apply to Quebec's non-refundable tax credits:

- the minimum basic personal credit, the Quebec Pension Plan (QPP), Employment Insurance (EI), Health Services Fund and Quebec Parental Insurance Plan (QPIP) credits are combined into a single basic personal credit equal to \$11,305;
- employees, employers and the self-employed must contribute to the QPIP, from which maternity, adoption and parental leave benefits are paid. As a result, federal EI premiums are lower for Quebec employees than for other employees (\$744 instead of \$914). A federal credit is available to individuals for QPIP premiums;
- an adult student can transfer the unused portion of the basic personal credit to a parent, but if this transfer is made, the other dependant (18 or over) credit of \$607 cannot be claimed for that student;
- most non-refundable credits, such as the basic personal credit and the age credit, can be transferred to a spouse, if not used by the taxpayer;
- the age, pension and living alone credits are reduced if net family income exceeds \$32,795;
- a person that lives alone or with a dependant can claim a credit of \$265;
- a person that qualifies for the living alone credit and lives with an eligible student is eligible for an additional \$328 credit;
- the maximum education credit of \$417 per term (maximum two terms per year) can be claimed by a supporting Quebec parent (but is not transferable) for a child under 18 who attends post-secondary school full-time (part-time for infirm dependants);
- a student can transfer the unused portion of the tuition and examination tax credits to a parent or grandparent; and
- the medical expense credit is based on the amount by which qualifying expenses exceed 3% of net family income (see below for details on the refundable medical expense credit).

Select Quebec refundable tax credits are listed in the table below.

	Details
Adoption	50% of eligible adoption expenses (maximum credit of \$10,000)
Child care	26% to 75% of qualifying child care expenses (limits apply)
Youth activities¹	Maximum credit is \$40 for children age five to under 17; \$80 for children with a disability, age five to under 19; available to families with incomes of \$131,260 or less
Caregivers²	Basic credit of \$850 plus supplement of \$514, which is reduced if the dependant's income exceeds \$22,840
Respite expenses for informal caregivers	30% of eligible respite expenses paid for the care of a person who resides with the caregiver and has a significant disability; maximum credit of \$1,560 is reduced if family income exceeds \$55,320
Informal caregivers	Maximum credit of \$500 for each care recipient can be allocated to a volunteer who provides home respite to informal caregivers of the care recipient
Home support for seniors³	32% of eligible expenses; maximum credit of \$6,240 for independent seniors (reduced if family income exceeds \$55,320) and \$8,160 for dependent seniors, age 70 and over; expenses eligible for this credit will not qualify for the medical expense credit
Medical	25% of medical expenses eligible for the non-refundable credit and 25% of amount deducted for impairment support products and services; maximum credit of \$1,141 is reduced if family income exceeds \$22,080

Notes:

1. The youth activities credit will increase, in stages, from 2014 to 2017, to up to \$100 per child age five to under 17, and up to \$200 per child with a disability age five to under 19.
2. For the caregivers credit, the basic credit will gradually increase from \$850 in 2014 to \$1,000 in 2016 (indexed thereafter). Certain informal caregivers caring for an elderly spouse qualify only for the basic credit.
3. For the home support for seniors credit, the tax credit rate and maximum credits will gradually increase from 32% (maximum credit of \$6,240 for independent seniors and \$8,160 for dependent seniors) in 2014, to 35% (maximum credit of \$6,825 for independent seniors and \$8,925 for dependent seniors) in 2017.

Credits: Federal Limitations and Other Information — 2014

This table presents additional information related to federal credits. Other restrictions may also apply. The provinces/territories may have comparable thresholds and rules.

	Limitations	To whom the credit may be transferred	Carry-forward
Tuition	Credit is available only if at least \$100 is paid in fees to an institution	Spouse, parent or grandparent (Maximum combined tuition, education and textbook credits transferable is \$750)	Indefinite
Education	Credit is \$60/month for full-time students and certain disabled part-time students; \$18/month for other part-time students		
Textbook	Credit is \$10/month for full-time students and certain disabled part-time students; \$3/month for other part-time students		
Medical	Credit is based on amount by which qualifying medical expenses exceeds the lesser of \$2,171 and 3% of net income (generally, expenses for any twelve-month period ending in the year can be claimed)	Either spouse may claim	
CPP/QPP and EI	For employees, maximum credit is \$501 (in Quebec, \$411 ¹); self-employed persons deduct 50% of CPP/QPP premiums paid for their own coverage (maximum deduction of \$2,426; in Quebec \$2,536) and claim a credit for the non-deductible half of premiums paid (maximum credit \$364; in Quebec \$318 ¹); self-employed persons do not pay EI premiums	N/A	
Canada Employment	Credit is based on employment income		
Transit pass	Public transit passes (monthly or longer) and certain weekly and electronic payment cards for travel are eligible	Spouse or parent	5 years
Student loan interest	Interest must be paid on qualifying student loans	N/A	
Charitable donations	Eligible donations are limited to 75% of net income	Either spouse may claim	
Spousal and equivalent to spouse	Reduced by any net income of the spouse or qualifying dependant	N/A	
Infirm dependant	Reduced if dependant's income exceeds \$6,607		
Caregiver	For providers of in-home care for an adult relative (reduced if relative's income exceeds \$15,472)		
Age	Reduced if income exceeds \$34,873	Spouse	
Pension	Credit is not available for CPP, QPP, Old Age Security or Guaranteed Income Supplement payments		
Child	Credit is available for each child under 18		
Adoption	Must be claimed in the year the adoption period ends	Either parent may claim	
Children's fitness	Maximum credit is \$75 for children under 17; \$150 for children under 19 who qualify for the disability tax credit		
Children's arts			
Disability	Basic	Spouse, parent, grandparent, child, grandchild, sibling, aunt, uncle, niece or nephew	
	Under 18 supplement		

Notes:

1. In Quebec, federal values are reduced by 16.5%. The amounts shown reflect this reduction.