

## Marginal Personal Tax Rates on Various Income Types in BC, Canada

For the Taxation Year 2006

Brackets assume that only the basic personal credit is available.

Income Range			Salary & Interest	Capital Gains	Eligible Dividends**	
\$ -	to	\$ 8,839	0.00%	0.00%	0.00%	
\$ 8,840	to	\$ 8,858	15.25%	7.63%	-14.02%	
\$ 8,859	to	\$ 33,755	21.30%	10.65%	-14.02%	
\$ 33,756	to	\$ 36,378	24.40%	12.20%	-9.52%	
\$ 36,379	to	\$ 67,511	31.15%	15.58%	0.27%	
\$ 67,512	to	\$ 72,756	33.70%	16.85%	3.96%	
\$ 72,757	to	\$ 77,511	37.70%	18.85%	9.76%	
\$ 77,512	to	\$ 94,121	39.70%	19.85%	12.67%	
\$ 94,122	to	\$ 118,285	40.70%	20.35%	14.11%	
\$ 118,286		and over	43.70%	21.85%	18.46%	
<b>Top combined</b>						
			2005	43.70%	21.85%	31.58%
			2004	43.70%	21.85%	31.58%

\*\* For a single individual with no income other than taxable Canadian dividends which are eligible for the dividend tax credit, approximately \$36,000 can be earned in 2006 before any federal taxes are payable.

*This material is general in nature and should not be relied upon to replace the requirement of specific professional advice. Please contact me prior to acting on the basis of any information included in this report.*

### **Important Dates / Timelines for filing of your 2006 Tax Return**

December 2006:	<ul style="list-style-type: none"> <li>• Update automobile mileage record</li> <li>• Contribute to RESPs</li> <li>• Convert your RRSP to a RRIF, if you have turned 69 in 2006, otherwise, your entire RRSP being considered taxable</li> <li>• Make on last top-up contribution to your RRSP, if you have turned 69 in 2006</li> <li>• Make sure that all donations are made by December 31, 2006 in order to realize the tax benefits on your 2006 return</li> <li>• Consider to make gifts of listed securities such as common shares and mutual funds to registered charities in order to receive a special tax benefit</li> <li>• Review your investment portfolio to determine any equities for which you want to lock in the losses before December 31, 2006</li> </ul>
January 2007:	<ul style="list-style-type: none"> <li>• Have employer complete T2200 if planning to deduct employment expenses</li> <li>• Gather your personal tax information</li> </ul>
February 2007:	<ul style="list-style-type: none"> <li>• File T4s and T4 Summary by February 28, 2007</li> <li>• Make 2006 RRSP contribution by February 28, 2007</li> <li>• 2006 RRSP maximum annual contribution is \$18,000</li> </ul>
March 2007:	<ul style="list-style-type: none"> <li>• Arrange an appointment with us in early or middle of March</li> </ul>
April 2007:	<ul style="list-style-type: none"> <li>• Best to contact our office before April 2, 2007 to ensure returns file in a timely manner</li> <li>• April 30, 2007 is the filing deadline for personal tax return if you have tax payable or not carrying on a business in 2006</li> </ul>

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