

## Newfoundland and Labrador

### Combined federal and provincial personal income tax rates - 2019<sup>1, 5</sup>

Taxable income				Newfoundland and Labrador				
Lower limit		to	Upper limit	Basic tax <sup>2</sup>	Rate on excess	Marginal rate on		
						Eligible dividend income <sup>3</sup>	Other dividend income <sup>3</sup>	Capital gains <sup>4</sup>
\$ -		to	\$ 12,069	\$ -	0.00%	0.00%	0.00%	0.00%
12,070		to	19,184	-	15.00%	0.00%	6.87%	7.50%
19,185		to	20,354	1,067	23.70%	4.55%	12.85%	11.85%
20,355		to	25,667 <sup>6</sup>	1,345	39.70%	26.63%	31.25%	19.85%
25,668		to	37,591	3,454	23.70%	4.55%	12.85%	11.85%
37,592		to	47,630	6,280	29.50%	12.56%	19.52%	14.75%
47,631		to	75,181	9,241	35.00%	20.12%	25.84%	17.50%
75,182		to	95,259	18,884	36.30%	21.91%	27.34%	18.15%
95,260		to	134,224	26,172	41.80%	29.50%	33.66%	20.90%
134,225		to	147,667	42,460	43.30%	31.57%	35.39%	21.65%
147,668		to	187,913	48,281	46.30%	35.71%	38.84%	23.15%
187,914		to	210,371	66,914	47.30%	37.09%	39.99%	23.65%
210,372	and up			77,537	51.30%	42.61%	44.59%	25.65%

- The tax rates reflect budget proposals and news releases to 15 June 2019. The rates do not include the Newfoundland and Labrador Temporary Deficit Reduction Levy (see note 5 below). Where the tax is determined under the alternative minimum tax provisions (AMT), the above table is not applicable. AMT may be applicable where the tax otherwise payable is less than the tax determined by applying the relevant AMT rate to the individual's taxable income adjusted for certain preference items.
- The tax determined by the table should be reduced by the applicable federal and provincial tax credits (see chart below), other than the basic personal tax credits, which have been reflected in the calculations.
- The rates apply to the actual amount of taxable dividends received from taxable Canadian corporations. Eligible dividends are those paid by public corporations and private companies out of earnings that have been taxed at the general corporate tax rate (the dividend must be designated by the payor corporation as an eligible dividend). Where the dividend tax credit exceeds the federal and provincial tax otherwise payable on the dividends, the rates do not reflect the value of the excess credit that may be used to offset taxes payable from other sources of income. This assumption is consistent with prior year rates.
- The rates apply to the actual amount of the capital gain. The capital gains exemption on qualified farm and fishing property and small business corporation shares may apply to eliminate the tax on those specific properties.
- Individuals resident in Newfoundland and Labrador on 31 December 2019 with taxable income in excess of \$50,000 must pay the Temporary Deficit Reduction Levy. The levy ranges from \$nil to \$1,800 depending on the individual's taxable income, with the maximum levy being payable by individuals with taxable income in excess of \$600,999.
- Individuals resident in Newfoundland and Labrador on 31 December 2019 with taxable income up to \$19,184 pay no provincial income tax as a result of a low-income tax reduction. The low-income tax reduction is clawed back for income in excess of \$20,354 until the reduction is eliminated, resulting in an additional 16% of provincial tax on income between \$20,355 and \$25,667.

A chart of the most common non-refundable tax credits is available on the next page

## Newfoundland and Labrador

### Federal and provincial personal tax credits - 2019<sup>1</sup>

	Federal credit	Provincial credit
Amount of credits:		
Basic personal credit (see note 2 above) <sup>2</sup>	\$ 1,810	\$ 819
Spousal credit (reduced when spouse's income over \$0 (federal) and \$770 (provincial)) <sup>2</sup>	1,810	669
Equivalent-to-spouse credit (reduced when dependant's income over \$0 (federal) and \$770 (provincial)) <sup>2</sup>	1,810	669
Infirm dependant aged 18 or over (reduced when dependant's income over \$6,424 (provincial))	-	260
Caregiver credit (reduced when particular person's income exceeds \$16,766 (federal) and \$14,609 (provincial))	1,071	260
Age credit (65 and over) <sup>3</sup>	1,124	523
Disability credit	1,262	553
Pension income (maximum)	300	87
Education amount - per month	-	17
Canada employment credit	183	-
Credits as a percentage of:		
Tuition fees	15.00%	8.70%
Medical expenses <sup>4</sup>	15.00%	8.70%
Charitable donations		
- First \$200	15.00%	8.70%
- Remainder <sup>5</sup>	29% / 33%	18.30%
CPP contributions <sup>6</sup>	15.00%	8.70%
EI premiums	15.00%	8.70%

1. This table lists the most common non-refundable tax credits; other non-refundable and refundable credits may be available.
2. A federal caregiver tax credit of \$335 may be available in respect of a spouse, dependant or child who is dependent on the individual by reason of mental or physical infirmity.
3. The maximum federal age credit of \$1,124 occurs at \$37,790 of net income and declines to nil as net income rises to \$87,750. The maximum provincial age credit of \$523 occurs at \$32,930 of net income and declines to nil as net income rises to \$72,990.
4. The federal credit applies to eligible medical expenses that exceed the lesser of \$2,352 and 3% of net income. The provincial credit applies to eligible medical expenses that exceed the lesser of \$2,050 and 3% of net income.
5. The federal tax credit rate of 33% applies to charitable donations in excess of \$200 to the extent the individual has taxable income in excess of \$210,371; otherwise, a federal tax credit rate of 29% applies.
6. One-half of CPP paid by self-employed individuals is deductible in computing taxable income.