

## Northwest Territories

### Combined federal and territorial personal income tax rates - 2019<sup>1</sup>

| Taxable income |        |                | Northwest Territories     |                   |   |  |                               |
|----------------|--------|----------------|---------------------------|-------------------|---|--|-------------------------------|
| Lower<br>limit | to     | Upper<br>limit | Basic<br>tax <sup>2</sup> | Rate on<br>excess | Marginal rate on                            |  |                               |
|                |        |                |                           |                   | Eligible<br>dividend<br>income <sup>3</sup> | Other<br>dividend<br>income <sup>3</sup> | Capital<br>gains <sup>4</sup> |
| \$ -           | to     | \$ 12,069      | \$ -                      | 0.00%             | 0.00%                                       | 0.00%                                    | 0.00%                         |
| 12,070         | to     | 14,811         | -                         | 15.00%            | 0.00%                                       | 6.87%                                    | 7.50%                         |
| 14,812         | to     | 43,137         | 411                       | 20.90%            | 0.00%                                       | 6.87%                                    | 10.45%                        |
| 43,138         | to     | 47,630         | 6,331                     | 23.60%            | 0.00%                                       | 9.86%                                    | 11.80%                        |
| 47,631         | to     | 86,277         | 7,392                     | 29.10%            | 7.56%                                       | 16.18%                                   | 14.55%                        |
| 86,278         | to     | 95,259         | 18,638                    | 32.70%            | 8.53%                                       | 20.32%                                   | 16.35%                        |
| 95,260         | to     | 140,267        | 21,575                    | 38.20%            | 16.12%                                      | 26.65%                                   | 19.10%                        |
| 140,268        | to     | 147,667        | 38,768                    | 40.05%            | 18.67%                                      | 28.77%                                   | 20.03%                        |
| 147,668        | to     | 210,371        | 41,732                    | 43.05%            | 22.81%                                      | 32.22%                                   | 21.53%                        |
| 210,372        | and up |                | 68,726                    | 47.05%            | 28.33%                                      | 36.82%                                   | 23.53%                        |

1. The tax rates reflect budget proposals and news releases to 15 June 2019. 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.
2. The tax determined by the table should be reduced by the applicable federal and territorial tax credits (see chart below), other than the basic personal tax credits, which have been reflected in the calculations.
3. 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 territorial 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.
4. 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.

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

Source: Ernst & Young Electronic Publishing Services Inc.

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

|   | Federal<br>credit | Territorial<br>credit |
|---|-------------------|-----------------------|
| Amount of credits:  |                   |                       |
| Basic personal credit (see note 2 above) <sup>2</sup>   | \$ 1,810          | \$ 874                |
| Spousal credit (reduced when spouse's income over \$0) <sup>2</sup>                           | 1,810             | 874                   |
| Equivalent-to-spouse credit (reduced when dependant's income over \$0) <sup>2</sup>           | 1,810             | 874                   |
| Infirm dependant aged 18 or over (reduced when dependant's income over \$6,966 (territorial)) | -                 | 290                   |
| Caregiver credit (reduced when the particular person's income over \$16,766)                  | 1,071             | 290                   |
| Age credit (65 and over) <sup>3</sup>   | 1,124             | 427                   |
| Disability credit   | 1,262             | 709                   |
| Pension income (maximum)  | 300               | 59                    |
| Education amount - per month  | -                 | 24                    |
| Canada employment credit  | 183               | -                     |
| Credits as a percentage of:   |                   |                       |
| Tuition fees  | 15.00%            | 5.90%                 |
| Medical expenses <sup>4</sup>   | 15.00%            | 5.90%                 |
| Charitable donations  |                   |                       |
| - First \$200   | 15.00%            | 5.90%                 |
| - Remainder <sup>5</sup>  | 29% / 33%         | 14.05%                |
| CPP contributions <sup>6</sup>  | 15.00%            | 5.90%                 |
| EI premiums   | 15.00%            | 5.90%                 |

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 territorial age credit of \$427 occurs at \$37,790 of net income and declines to nil as net income rises to \$86,090.
4. The credit applies to eligible medical expenses that exceed the lesser of \$2,352 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.