



CHARTERED ACCOUNTANTS

Combined Federal and Ontario Tax Rates				
2005 Taxable income	2004 Taxable Income	Marginal Tax Rate		
		Other Income	Capital Gains	Canadian Dividends
first \$34,010	first \$33,375	22.05%	11.03%	4.48%
over \$34,010 up to \$35,595	over \$33,375 up to \$35,000	25.15%	12.58%	8.36%
over \$35,595 up to \$59,880	over \$35,000 up to \$58,771	31.15%	15.58%	15.86%
over \$59,880 up to \$68,020	over \$58,771 up to \$66,752	32.98%	16.49%	16.86%
over \$68,020 up to \$70,560	over \$66,752 up to \$69,240	35.39%	17.70%	19.88%
over \$70,560 up to \$71,190	over \$69,240 up to \$70,000	39.41%	19.70%	22.59%
over \$71,190 up to \$115,739	over \$70,000 up to \$113,804	43.41%	21.70%	27.59%
over \$115,739	over \$113,804	46.41%	23.20%	31.34%
Ontario Basic Personal Amount				
2005	2004	Tax Rate		
\$8,196	\$8,044	6.05%		

Ontario has two surtaxes, which are included in the above tax rates:

1. a surtax of 20% of ON income tax (after deducting non-refundable tax credits) in excess of \$3,929 in 2005 (\$3,856 in 2004). For a single person with a tax credit for only the basic personal amount, the ON tax will reach \$3,929 at a taxable income of \$59,880 in 2005 and will reach \$3,856 at a taxable income of \$58,771 in 2004.

2. a surtax of 36% of ON income tax (after deducting non-refundable tax credits) in excess of \$4,957 in 2005 (\$4,864 in 2004). For a single person with a tax credit for only the basic personal amount, the ON tax will reach \$4,957 at a taxable income of \$70,560 in 2005 and will reach \$4,864 at a taxable income of \$69,240 in 2004.

Note that the second surtax of 36% of ON income tax is in addition to the first surtax of 20%. The surtax of 20% applies to ON income tax in excess of \$3,929 but less than \$4,957, and both surtaxes, for a total of 56%, apply to ON income tax in excess of \$4,957.

Ontario Health Premium

Beginning July 1, 2004, the Ontario government started collecting, through the income tax system, an Ontario Health Premium that is based on an individual's taxable income.