



CHARTERED ACCOUNTANTS

Combined Federal and Ontario Tax Rates				
2006 Taxable income	2005 Taxable Income	Marginal Tax Rate		
		Other Income	Capital Gains	Canadian Dividends
first \$34,758	first \$34,010	21.05%	10.53%	3.23%
over \$34,758 up to \$36,378	over \$34,010 up to \$35,595	24.15%	12.08%	7.11%
over \$36,378 up to \$61,206	over \$35,595 up to \$59,880	31.15%	15.58%	15.86%
over \$61,206 up to \$69,517	over \$59,880 up to \$68,020	32.98%	16.49%	16.86%
over \$69,517 up to \$72,102	over \$68,020 up to \$70,560	35.39%	17.70%	19.88%
over \$72,102 up to \$72,756	over \$70,560 up to \$71,190	39.41%	19.70%	22.59%
over \$72,756 up to \$118,285	over \$71,190 up to \$115,739	43.41%	21.70%	27.59%
over \$118,285	over \$115,739	46.41%	23.20%	31.34%
Ontario Basic Personal Amount				
2006	2005	Tax Rate		
\$8,377	\$8,196	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 \$4,016 in 2006 (\$3,929 in 2005). For a single person with a tax credit for only the basic personal amount, the ON tax will reach \$4,016 at a taxable income of \$61,206 in 2006 and will reach \$3,929 at a taxable income of \$59,880 in 2005.

2. a surtax of 36% of ON income tax (after deducting non-refundable tax credits) in excess of \$5,065 in 2006 (\$4,957 in 2005). For a single person with a tax credit for only the basic personal amount, the ON tax will reach \$5,065 at a taxable income of \$72,102 in 2006 and will reach \$4,957 at a taxable income of \$70,560 in 2005.

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 \$4,016 but less than \$5,065, and both surtaxes, for a total of 56%, apply to ON income tax in excess of \$5,065.

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.