



**PEI CORPORATE TAX RATES
FOR CANADIAN CONTROLLED PRIVATE COMPANIES**

| Type of Income | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | | 2012 | 2011 | 2010 | |
|---|--------|--------|--------|--------|--------|---------|---------|--------|--------|---------|---------|
| | Rate | Rate | Rate | Rate | Rate | Jan-Mar | Apr-Dec | Rate | Rate | Jan-Mar | Apr-Dec |
| Active Business Income | | | | | | | | | | | |
| Income up to \$ 500,000 | 14.5% | 15.0% | 15.5% | 15.5% | 15.5% | 12.0% | 15.5% | 12.0% | 12.0% | 13.1% | 12.0% |
| Income in excess of \$ 500,000 | 31.00% | 31.0% | 31.0% | 31.0% | 31.0% | 31.0% | | 31.0% | 32.5% | 34.0% | |
| Investment Income | | | | | | | | | | | |
| (26.67% of the tax is eligible for a refund at a rate of \$1 for every \$3 of dividends paid) | 54.70% | 50.7% | 50.7% | 50.7% | 50.7% | 50.7% | | 50.7% | 50.7% | 50.7% | |
| Dividend Income (from non-connected corporations) | | | | | | | | | | | |
| (The tax is eligible for a refund of \$1 for every \$3 of dividends paid) | 38.33% | 38.33% | 33.33% | 33.33% | 33.33% | 33.33% | | 33.33% | 33.33% | 33.33% | |

* The above tax rates are to be prorated based on the number of days in the taxation year before and after the date of the change of tax rate.

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PERSONAL TAX RATE TABLE
Federal and Provincial Marginal Tax Rates for PEI

| 2017 Taxable Income | \$ - to \$ 31,984 | \$ 31,985 to \$ 45,916 | \$ 45,917 to \$ 63,969 | \$ 63,970 to \$ 91,831 | \$ 91,832 to \$ 98,411 | \$ 98,411 to \$ 98,412 | \$ 98,412 to \$ 202,800 | over \$ 202,800 |
|------------------------------------|-------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|-------------------------------|--------------------|
| Employment Income | 24.80% | 28.80% | 34.30% | 37.20% | 42.70% | 44.37% | 47.37% | 51.37% |
| Interest Income | 24.80% | 28.80% | 34.30% | 37.20% | 42.70% | 44.37% | 47.37% | 51.37% |
| Eligible Dividends* | -0.99% | 4.53% | 12.12% | 16.12% | 23.71% | 24.56% | 28.70% | 34.22% |
| Non-eligible Dividends* | 13.14% | 17.82% | 24.25% | 27.64% | 34.08% | 35.68% | 39.19% | 43.87% |
| Capital Gains | 12.40% | 14.40% | 17.15% | 18.60% | 21.35% | 22.19% | 23.69% | 25.69% |

These rates do not include any applicable provincial surtax

* The rates indicated apply to dividends received from a taxable Canadian Corporation where the dividends are eligible for the enhanced dividend tax credit

Last updated February 15, 2018

Canada/US Foreign Exchange Rate Table

| | 2009* | 2010 * | 2011 * | 2012 * | 2013 * | 2014 * | 2015* | 2016* | 2017* | 2017 Monthly Avg | 2016 Monthly Avg |
|-------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|------------------------|------------------------|
| January | 1.2265 | 1.0693 | 1.0015 | 1.0052 | 0.9992 | 1.1119 | 1.2717 | 1.4006 | 1.3012 | 1.3196 | 1.4226 |
| February | 1.2723 | 1.0525 | 0.9714 | 0.9866 | 1.0283 | 1.1074 | 1.2508 | 1.3531 | 1.3281 | 1.3107 | 1.3788 |
| March | 1.2613 | 1.0158 | 0.9696 | 0.9991 | 1.0160 | 1.1055 | 1.2683 | 1.2987 | 1.3299 | 1.3383 | 1.3210 |
| April | 1.1930 | 1.0158 | 0.9464 | 0.9884 | 1.0075 | 1.0960 | 1.2119 | 1.2548 | 1.3607 | 1.3444 | 1.2818 |
| May | 1.0917 | 1.0435 | 0.9688 | 1.0349 | 1.0368 | 1.0842 | 1.2465 | 1.311 | 1.3298 | 1.3607 | 1.2943 |
| June | 1.1630 | 1.0646 | 0.9645 | 1.0191 | 1.0518 | 1.0670 | 1.2474 | 1.2917 | 1.2689 | 1.3298 | 1.2887 |
| July | 1.0775 | 1.0283 | 0.9555 | 1.0014 | 1.0272 | 1.0904 | 1.3047 | 1.3056 | 1.2605 | 1.2689 | 1.3046 |
| August | 1.0950 | 1.0665 | 0.9794 | 0.9863 | 1.0530 | 1.0873 | 1.3223 | 1.3116 | 1.2283 | 1.2605 | 1.2993 |
| September | 1.0707 | 1.0290 | 1.0482 | 0.9837 | 1.0303 | 1.1200 | 1.3394 | 1.3117 | 1.2605 | 1.2283 | 1.3102 |
| October | 1.0819 | 1.0202 | 0.9967 | 0.9996 | 1.0427 | 1.1271 | 1.3083 | 1.3411 | 1.2769 | 1.2605 | 1.3253 |
| November | 1.0556 | 1.0266 | 1.0203 | 0.9932 | 1.0620 | 1.1440 | 1.3333 | 1.3429 | 1.2771 | 1.27869 | 1.3440 |
| December | 1.0510 | 0.9946 | 1.0170 | 0.9949 | 1.0636 | 1.1601 | 1.3840 | 1.3427 | 1.2427 | 1.2771 | 1.3336 |
| Annual Averages ** | 1.1420 | 1.0299 | 0.9891 | 1.0000 | 1.0299 | 1.1047 | 1.2787 | 1.3248 | 1.2896 | | |

* Bank of Canada Closing Rate for the last day of the month

** CRA Rates

Last updated February 14, 2018

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CRA Prescribed Interest Rate Table

| Quarter | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|-------------|------|------|------|------|------|------|------|------|------|------|------|
| | % | % | % | % | % | % | % | % | % | % | % |
| 1st Quarter | 9 | 8 | 6 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| 2nd Quarter | 9 | 8 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| 3rd Quarter | 9 | 7 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| 4th Quarter | 9 | 7 | 5 | 5 | 5 | 5 | 6 | 5 | 5 | 5 | 5 |

The prescribed interest rate shown is applied when calculating interest on payments owing to the federal government. The prescribed rate for amounts owing from the federal government is less. As of 2010, the rate for amounts owed to corporate tax payers is four points less than the rate shown. For non-corporate taxpayers, it is two points less.

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PROVINCIAL PERSONAL TAX RATE COMPARISONS

| | | Top Marginal Tax Rate | Top Marginal Tax Rate On Capital Gains | Top Marginal Tax Rate On Regular Dividends* | Top Marginal Tax Rate on Eligible Dividends* |
|-----------------------|--------|--------------------------|--|--|---|
| | | 2017 | 2017 | 2017 | 2017 |
| British Columbia | 16.80% | 47.70% | 23.85% | 40.96% | 31.30% |
| Alberta | 15% | 48.00% | 24.00% | 41.24% | 31.71% |
| Saskatchewan | 15% | 47.50% | 23.75% | 39.62% | 30.33% |
| Manitoba | 17.40% | 50.40% | 25.20% | 45.74% | 37.79% |
| Ontario | 13.16% | 53.53% | 26.77% | 45.30% | 39.34% |
| Quebec | 26% | 53.31% | 26.66% | 43.84% | 39.83% |
| New Brunswick | 20.30% | 53.30% | 26.65% | 46.25% | 33.51% |
| Nova Scotia | 21.00% | 54.00% | 27.00% | 46.97% | 41.58% |
| Prince Edward Island | 16.70% | 51.37% | 25.69% | 43.87% | 34.23% |
| Newfoundland | 18.30% | 51.30% | 25.65% | 43.62% | 42.62% |
| Northwest Territories | 14.05% | 47.05% | 23.53% | 35.72% | 28.33% |
| Yukon | 15.00% | 48.00% | 24.00% | 40.17% | 24.81% |
| Nunavut | 11.50% | 44.50% | 22.25% | 36.35% | 33.08% |

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* The rates indicated apply to dividends received from a taxable Canadian corporation

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Automotive Tax Facts

(Rates effective January 1, 2007 to December 31, 2017)

| | |
|---|---|
| Canada Revenue Agency prescribed rates for tax-free mileage reimbursement (Add 4 cents per km for residents of Yukon, Northwest Territories, and Nunavut) | 54 cents for the 1st 5,000 km 2016-2017 55 cents for the 1st 5,000 km 2015 54 cents for the 1st 5,000 km 2013 - 2014 53 cents for 1st 5,000 km 2012 52 cents for 1st 5,000 km 2008 - 2011 50 cents for 1st 5,000 km 2007 49 cents for above 5,000 km in 2015 48 cents for above 5,000 km 2013-2014 47 cents for above 5,000 km in 2012 46 cents for above 5,000 km 2008 - 2011 44 cents for above 5,000 km 2007 |
| Maximum depreciable value on passenger vehicle | \$30,000 (plus HST) 2007 - 2017 |
| Maximum eligible monthly lease cost on passenger vehicle | \$800 per month (plus HST) |
| Operating cost benefit calculation for employment income inclusion | 25 cents per km for 2017 26 cents per km for 2016 27 cents per km for 2013 - 2015 26 cents per km for 2012 24 cents per km for 2008 - 2011 22 cents per km for 2007 (24 cents for 2013 - 2015, 23 cents for 2012, 21 cents for 2008 - 2011, 19 cents for 2007 if taxpayer employed principally in selling or leasing automobiles) If business use > 50% can elect operating benefit to be half of standby charge |
| Standby charge benefit calculation for employment income inclusion | Employer-owned auto = $2\% \times \text{cost of auto} \times \text{number of days auto available in year} \div 30$ Employer leased auto = $2/3 \times \text{lease payment while auto is available to employee}$ If > 50% business use a reduced standby charge may apply |
| Maximum allowable interest deduction for amounts borrowed to purchase an automobile | \$300 per month |

Last updated January 14, 2018

C.P.P./E.I. PREMIUM RATES

| C.P.P. | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Maximum Annual Pensionable Earnings | \$ 55,300.00 | \$ 54,900.00 | \$ 53,600.00 | \$ 52,500.00 | \$ 51,100.00 | \$ 50,100.00 | \$ 48,300.00 | \$ 47,200.00 |
| Exemption | <u>(3,500.00)</u> | <u>(3,500.00)</u> | <u>(3,500.00)</u> | <u>(3,500.00)</u> | <u>(3,500.00)</u> | <u>(3,500.00)</u> | <u>(3,500.00)</u> | <u>(3,500.00)</u> |
| Net Earnings | \$ 51,800.00 | \$ 51,400.00 | \$ 50,100.00 | \$ 49,000.00 | \$ 47,600.00 | \$ 46,600.00 | \$ 44,800.00 | \$ 43,700.00 |
| Rate (1) | <u>4.95%</u> | <u>4.95%</u> | <u>4.95%</u> | <u>4.95%</u> | <u>4.95%</u> | <u>4.95%</u> | <u>4.95%</u> | <u>4.95%</u> |
| Maximum Annual Contribution | \$ 2,564.10 | \$ 2,544.30 | \$ 2,479.95 | \$ 2,425.50 | \$ 2,356.20 | \$ 2,306.70 | \$ 2,217.60 | \$ 2,163.15 |
| Self-employed Maximum Annual Contribution | \$ 5,128.20 | \$ 5,088.60 | \$ 4,959.90 | \$ 4,851.00 | \$ 4,712.40 | \$ 4,613.40 | \$ 4,435.20 | \$ 4,326.30 |
| E.I. | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
| Maximum Annual Insurable earnings | \$ 51,300.00 | \$ 50,800.00 | \$ 49,500.00 | \$ 48,600.00 | \$ 47,400.00 | \$ 45,900.00 | \$ 44,200.00 | \$ 43,200.00 |
| Rate (2) | <u>1.88</u> | <u>1.88</u> | <u>1.88%</u> | <u>1.88%</u> | <u>1.88%</u> | <u>1.83%</u> | <u>1.78%</u> | <u>1.73%</u> |
| Maximum Annual Premium | \$ 96,444.00 | \$ 95,504.00 | \$ 930.60 | \$ 913.68 | \$ 891.12 | \$ 839.97 | \$ 786.76 | \$ 747.36 |

(1) Employer and Employee rate same

(2) Employer rate is 1.4 x employee rate up to the annual maximum salary of \$ 51,300

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MAXIMUM RRSP CONTRIBUTION LIMITS

Maximum RRSP contribution limits for 2008 to 2017 are as follows:

| YEAR | RRSP CONTRIBUTION LIMIT |
|------|-------------------------|
| 2008 | \$ 20,000.00 |
| 2009 | \$ 21,000.00 |
| 2010 | \$ 22,000.00 |
| 2011 | \$ 22,450.00 |
| 2012 | \$ 22,970.00 |
| 2013 | \$ 23,820.00 |
| 2014 | \$ 24,270.00 |
| 2015 | \$ 24,930.00 |
| 2016 | \$ 25,370.00 |
| 2017 | \$ 26,010.00 |
| | |

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