



2023 TAX PLANNING CARD NEWFOUNDLAND AND LABRADOR



2023 Key Facts & Figures

Savings

\$30,780

RRSP contribution¹

\$6,500

TFSA contribution²

\$2,500

RESP contribution to
maximize CESG³

Retirement

\$836/mo

Maximum CPP
retirement benefit
if started at 60

\$1,307/mo

Maximum CPP
retirement benefit
if started at 65

\$1,855/mo

Maximum CPP retirement
benefit if deferred to 70

\$688/mo

Maximum OAS pension
if started at 65⁴

\$935/mo

Maximum OAS pension
if deferred to 70⁴

\$81,761

Net income at which OAS
pension becomes
partially repayable⁵

Income

Other income*

100%

Taxable

Capital gains

50%

Inclusion rate

Eligible dividends

38%

Gross up

15%

Tax credit⁶

Non-eligible dividends

15%

Gross up

9%

Tax credit⁶

* (salary/interest)

2023 Federal Tax Credits

The federal tax credit rate is 15% unless otherwise stated

| Federal Tax Credit | Amount | Tax Savings |
|------------------------------------|--|-----------------------|
| Basic/Spouse/ Partner ⁷ | \$15,000 | \$2,250 |
| Age (65+) ⁸ | \$8,396 | \$1,259 |
| Disability | \$9,428 | \$1,414 |
| Pension income | \$2,000 | \$300 ⁹ |
| Medical expenses | Lesser of 3% of net income or \$2,635 | \$395 |
| Charitable Donations ¹⁰ | Donations ≤ \$200 | 15% ¹⁰ |
| | Donations > \$200 | 29% |
| | Income > \$235,675 | Donations > \$200 33% |

2023 Lifetime Capital Gain Exemption (LCGE)

| Qualifying Property | LCGE | Deduction Limit |
|--|-------------|-----------------|
| Qualified small business corporation shares (QSBC) | \$971,190 | \$485,595 |
| Qualified farm or fishing property (QFFP) | \$1,000,000 | \$500,000 |

1 RRSP contribution limit is 18% of 2022's earned income to a maximum of \$30,780, plus RRSP contribution room carried forward from 2021.

2 TFSA cumulative contribution limit is \$88,000, plus previous years' withdrawals, less previous years' contributions.

3 Canada Education Savings Grant (CESG) of 20% awarded on RESP contributions up to annual limit of \$500. The lifetime RESP contribution limit per beneficiary is \$50,000, and CESG per beneficiary is \$7,200.

4 The OAS pension automatically increases by 10% for seniors aged 75 and over.

5 OAS pension benefits are subject to a tax of 15% on every dollar of net income in excess of the 2022 net income threshold of \$81,761. The pension is fully repayable when net income exceeds \$134,626.

6 Federal gross-up and dividend tax credit. Tax credit is assessed on the grossed-up dividend amount.

7 \$15,000 is the Base Personal Amount for taxpayers with net income of up to \$165,430. At net income above \$165,430, the basic personal amount is gradually clawed back to \$13,521.

8 Seniors aged 65, or older, can claim the age credit. If net income is between \$42,335 and \$98,305 a partial claim can be made. If net income is in excess of \$98,305, no claim can be made.

9 The full pension income amount of \$300 may be claimed on the first \$2,000 of eligible pension income received.

10 Donation tax credit may be claimed up to 75% of net income, or 100% of net income in the year of death or the year preceding death.



2023 TAX PLANNING CARD NEWFOUNDLAND AND LABRADOR



2023 Combined Newfoundland and Labrador/Federal Tax Brackets And Rates

| 2023 Taxable Income | 2023 Marginal Tax Rates | | | |
|-------------------------|-----------------------------------|---------------|--------------------|--------------|
| | Other Income (salary/interest) | Capital Gains | Canadian Dividends | |
| | | | Eligible | Non-Eligible |
| first \$41,457 | 23.70% | 11.85% | 3.28% | 13.19% |
| \$41,458 - \$53,359 | 29.50% | 14.75% | 11.29% | 19.86% |
| \$53,360 - \$82,913 | 35.00% | 17.50% | 18.88% | 26.19% |
| \$82,914 - \$106,717 | 36.30% | 18.15% | 20.67% | 27.68% |
| \$106,718 - \$148,027 | 41.80% | 20.90% | 28.26% | 34.01% |
| \$148,028 - \$165,430 | 43.80% | 21.90% | 31.02% | 36.31% |
| \$165,431 - \$207,239 | 47.12% | 23.56% | 35.60% | 40.13% |
| \$207,240 - \$235,675 | 49.12% | 24.56% | 38.36% | 42.43% |
| \$235,676 - \$264,750 | 52.80% | 26.40% | 43.44% | 46.66% |
| \$264,751 - \$529,500 | 53.80% | 26.90% | 44.82% | 47.81% |
| \$529,501 - \$1,059,000 | 54.30% | 27.15% | 45.51% | 48.38% |
| \$1,059,001 and up | 54.80% | 27.40% | 46.20% | 48.96% |

Basic Personal Amount

| | 2023 Personal Amount | 2023 Tax Rate |
|---------------------------|----------------------|---------------|
| Newfoundland and Labrador | \$10,382 | 8.70% |
| Federal | \$15,000 | 15.00% |

Average vs Marginal Tax Rates (Combined Newfoundland and Labrador/Federal)

| Other Income (salary/interest) | Average Tax Rate | Marginal Tax Rate |
|--------------------------------|------------------|-------------------|
| \$50,000 | 18.38% | 29.50% |
| \$100,000 | 26.73% | 36.30% |
| \$150,000 | 31.53% | 43.80% |
| \$200,000 | 35.17% | 47.12% |
| \$250,000 | 38.11% | 52.80% |

Average (effective) tax rate: The actual tax paid as a percentage of taxable income.

Marginal tax rate: The tax rate applied on an additional \$1 of income.

Newfoundland and Labrador Probate Fees

| Value of the Estate | | 2023 Tax Rate |
|---------------------|--------------------|---------------|
| <\$1,000 | | \$60 |
| >\$1,001 | first \$1,000 | \$60 |
| | value over \$1,000 | 0.6% |

2023 Tax Dates

| | | |
|--------------------------------------|--------------------|-------------------|
| Personal tax instalments due | March 15, 2023 | June 15, 2023 |
| | September 15, 2023 | December 15, 2023 |
| Individual tax filing deadline | May 1, 2023 | |
| Self-employed tax filing deadline | June 15, 2023 | |
| Interest on prescribed rate loan due | January 30, 2024 | |
| 2023 RRSP contribution deadline | February 29, 2024 | |