



2021 TAX FACTS FOR NEWFOUNDLAND & LABRADOR RESIDENTS

TAX RATES ON CORPORATE INCOME

	2021	2020
CCPC Active Income		
Small Bus. Limit (\$500k max)	12.0%	12.0%
> Sm Bus Limit \$500,001	30.0%	30.0%
CCPC Investment Income		
Interest	53.7%	53.7%
Capital Gains	26.9%	26.9%
Dividends (Part IV)	38.3%	38.3%
Refund: \$1 refund per dividends of	\$2.61	\$2.61

(Note: CCPC = Canadian Controlled Private Corporation)

RRSP LIMITS

Year	RRSP	Prior Year Earned
	Deduction	Income Required to Maximize RRSP
2020	\$27,230	\$151,278
2021	\$27,830	\$154,611
2022	\$29,210	\$162,278

PRESCRIBED INTEREST RATES

(Note: These rates are for shareholders loans-refunds add 2%, overdue balances add 4%)

Quarter	2021	2020	2019
1st quarter	1%	2%	2%
2nd quarter	TBA	2%	2%
3rd quarter	TBA	1%	2%
4th quarter	TBA	1%	2%

AUTOMOBILE BENEFITS

Claim Description	2021	2020
Tax-exempt car reimbursements		
-first 5,000 km	59 ¢/km	59 ¢/km
-after 5,000 km	53 ¢/km	53 ¢/km
CCA threshold-Class 10.1		\$30,000 + HST
Interest expense limit		\$300/month
Leasing limit per month		\$800/m+HST
Standby charge-owned vehicle	2% of original cost per month	
Standby charge-leased vehicle	2/3 of monthly lease cost	
Operating cost benefit	27 ¢/km	28 ¢/km

PERSONAL TAX BRACKETS FOR SALARY AND DIVIDENDS IN 2021

Taxable Income	Marginal Tax Rate on Salary	Marginal Tax Rate on Dividends	
		Public Company*	Private Company
\$1 - \$9,536	0.0%	0.0%	0.0%
\$9,537 - \$13,808	8.7%	4.5%	6.0%
\$13,809 - \$38,081	23.7%	4.5%	12.9%
\$38,082 - \$49,020	29.5%	12.5%	19.5%
\$49,021 - \$76,161	35.0%	20.1%	25.8%
\$76,162 - \$98,040	36.3%	21.9%	27.3%
\$98,041 - \$135,973	41.8%	29.5%	33.7%
\$135,974 - \$151,978	43.3%	31.6%	35.4%
\$151,979 - \$190,363	46.6%	36.2%	39.2%
\$190,364 - \$216,511	47.6%	37.5%	40.4%
> \$216,511	51.3%	42.6%	44.6%

(* Includes dividends paid by CCPCs from income in excess of small business deduction limit)

TFSA LIMIT

2019-2021	2016-2018	2015	2013-2014	2009-2012
\$6,000	\$5,500	\$10,000	\$5,500	\$5,000

LIFETIME CAPITAL GAINS EXEMPTION

2021	2020	2019
\$892,218	\$883,384	\$866,912

PENSION SPLITTING WITH SPOUSES

	65 or Older	Under 65
Pension Annuity Payments	Yes	Yes
RRIF Payments	Yes	No
RRSP Annuity Payments	Yes	No*
RRSP Lump-Sum Withdrawals	No	No*
Canada Pension Plan Benefits	No	No
Old Age Security Benefits	No	No

* Except if received due to the death of a spouse

CLAWBACK OF OLD AGE SECURITY

Year	OAS Benefit	Start of Clawback @15% if income is greater than	OAS fully clawed back when income is greater than
2020	\$7,364.19	\$79,054	\$128,136
2021-Jan	\$615.37/mon	\$79,845	\$129,075

CPP, EI & HAPSET LIMITS

Year	CPP			EI			HAPSET (2%)	
	CPP Limit	Contribution Rate	Pensionable Earnings	Employee Limit	Employer Limit	Contribution Rate	Insurable Earnings Exemption Threshold	
2020	\$2,898.00	5.25%	\$58,700	\$856.36	\$1,198.90	1.58%	\$54,200	\$ 1,300,000
2021	\$3,166.45	5.45%	\$61,600	\$889.54	\$1,245.36	1.58%	\$56,300	\$ 1,300,000

Note: Employer and employees pay the same CPP amount



COMPARISON OF TAX PAYABLE FOR 2021 vs. 2020 (COMBINED FEDERAL AND NL PROVINCIAL TAX)

Actual Income	2021			2020		
	Salary / Self- Employment / interest/ taxable capital gains	Dividends		Salary / Self- Employment / interest/ taxable capital gains	Dividends	
		Public Company (note 3)	Private Company (note 4)		Public Company (note 3)	Private Company (note 4)
\$	\$	\$	\$	\$	\$	\$
10,000	-	-	-	-	-	-
20,000	989	81	-	1,079	84	-
30,000	4,290	729	964	4,299	741	1,043
40,000	6,690	1,985	2,697	6,790	1,997	2,796
50,000	9,694	3,241	5,115	9,820	3,253	5,240
60,000	13,194	6,051	7,699	13,320	6,204	7,824
70,000	16,694	9,550	10,339	16,820	9,638	10,469
80,000	20,245	12,523	13,073	20,374	12,579	13,202
90,000	23,875	15,449	16,107	24,004	15,505	16,290
100,000	27,612	18,406	19,473	27,796	18,470	19,656
110,000	31,792	21,539	22,839	31,976	21,583	23,022
120,000	35,972	24,479	26,235	36,156	24,506	26,426
130,000	40,152	27,417	29,773	40,336	27,430	29,965
140,000	44,392	30,382	33,612	44,584	30,389	33,842
150,000	48,722	33,458	37,532	48,914	33,451	37,751
160,000	53,319	37,041	41,453	53,550	37,301	41,659
170,000	57,981	41,302	45,425	58,202	41,563	45,627
180,000	62,644	45,564	49,460	62,854	45,824	49,651
190,000	67,306	49,825	53,569	67,510	50,086	53,830
200,000	72,064	54,087	58,028	72,262	54,347	58,289
210,000	76,826	58,348	62,486	77,014	58,609	62,747
220,000	81,717	62,609	66,945	81,978	62,870	67,206
230,000	86,847	66,870	71,404	87,108	67,132	71,664
240,000	91,977	71,131	75,863	92,238	71,393	76,123
250,000	97,107	75,392	80,322	97,368	75,653	80,581

Each additional dollar of income above \$250,000 will be taxed at marginal tax rate for income type.

Notes:

1. Tax amounts are for illustrative purposes and assumes only one type of income is being earned. If income is received from various sources (i.e. mixture of salary and investments), tax figures will vary from the above illustration.
2. Tax amounts include the NL Deficit Reduction Levy as announced, effective July 1, 2016.
3. Also includes dividends paid by CCPCs from income in excess of SBD Limit. Taxable amount is actual dividend x 1.38.
4. Taxable amount equals actual dividend x gross-up of 1.15 (2019-2021), 1.16 (2018).



IMPORTANT DATES TO REMEMBER

<i>Tax Filings/Instalments</i>	<i>Due Date</i>
Corporate Tax Returns (T2)	6 months after year end
Corporations must make their tax payment for the current fiscal year:	
• If you have an active operating business and no active income above small business limit	3 months after year end
• For other companies, such as holding companies or where some ABI at high rate	2 months after year end
<p>Note: Corporations should also continue to make their respective monthly or quarterly instalments for the subsequent fiscal year, if required to do so.</p>	
T4 Return - Summary of Remuneration Paid	February 28th of next year
T5 Return - Return of Investment Income (for interest and dividends)	February 28th of next year
Trust Returns (T3)	90 days following end of year
RRSP Contributions - Deadline for current year contributions	60 days following end of year
Personal Tax Returns (T1)	
• Individual	April 30th of following year
• Individual with self-employment income	June 15th of following year
• Taxes payable	April 30th of following year
Personal Tax Instalments	
• 1st Quarter	March 15th
• 2nd Quarter	June 15th
• 3rd Quarter	September 15th
• 4th Quarter	December 15th
HST Return	
Annual Filer	3 months after year end
Quarterly Filer	1 month after year end
HST Instalments	
• 1st Quarter	Annual Filer 4 months after previous year end
• 2nd Quarter	7 months after previous year end
• 3rd Quarter	10 months after previous year end
• 4th Quarter	13 months after previous year end
	Example for December 31 Year End:
	April 30
	July 31
	October 31
	January 31

