



It doesn't have to be complicated

Tax | Accounting | Business | Advisory

Personal Tax 2009

Will I get a refund?

This question is on most taxpayer's minds once they gather their tax papers. At Skidmore & Co CGA we understand you want to know how you will fare with the tax department. When you come in, we can provide an estimate of your taxes using the handy Combined Federal and BC Income Tax chart found inside.

If reducing tax is on your mind, you'll want to consider contributing to an RRSP. If you have room available use the Individual Marginal Tax Rate chart to find out the percentage you'll save with your contribution. Be sure to make your contribution by March 1, 2010.

There have been a few tax changes this year, such as the Home Renovation Tax Credit. Have a look at the Blog on our website to get the latest info – www.skidmorecga.com.

Our services go beyond general tax preparation to include advisory and planning services for individuals, business owners, inventors and retirees.

Do you know someone who could benefit from the relationship we have? Client referrals are welcome.

Because accountants do more that file tax returns:

- Amend prior years filed tax returns
- Audit representation
- Bookkeeping and government reporting
- Budget and business planning
- Business Advice
- Cash flow management
- Estate Planning
- Financial statements to assist you in making business decisions
- Helping your business grow
- Investment Planning
- Management consulting and advisory services
- Month-end preparation
- Multi-year tax preparation
- Payroll services
- Problem analysis and profitability improvement
- Purchasing a business
- Remote access bookkeeping
- Retirement Planning
- Sales tax consulting (GST, HST, PST)
- Software selection and set-up
- Solving business problems
- Starting a business
- Tax planning and consulting
- Tax return preparation (Personal, Corporate, and Trust)
- Terminal returns and request for Clearance Certificate
- Voluntary disclosure



Diane Skidmore cga

T 604.949.0992
F 604.949.0995
diane@skidmorecga.com

Skidmore & Co CGA


Shaughnessy Square

312 — 2099 Lougheed Hwy
Port Coquitlam BC V3B 1A8
www.skidmorecga.com

Skidmore & Co CGA


To keep your taxes as low as possible, be sure to claim all the tax credits you are entitled to. Tax credits reduce taxes payable and are the same for all taxpayers – regardless of their tax bracket. Below are some of the federal amounts and the maximum combined federal and provincial tax credit available for 2009.

Tax Credit	Federal Amount	Total Tax Credit
<input type="checkbox"/> Basic personal amount	\$10,320	\$2,022
<input type="checkbox"/> Age Amount (born 1944 or earlier) <i>Income threshold \$32,312 / \$31,288,</i>	\$6,408	\$1,174
<input type="checkbox"/> Spouse / partner / eligible dependent <i>Income threshold \$0 / \$803,</i>	\$10,320	\$1,954
<input type="checkbox"/> Child (<i>born 1992 or later</i>)	\$2,089	\$313
<input type="checkbox"/> Employment amount	\$1,044	\$157
<input type="checkbox"/> Children's fitness amount <i>For children under 16 or 18 if eligible for disability.</i>	\$500	\$75
<input type="checkbox"/> Pension amount (<i>BC 1,000</i>)	\$2,000	\$351
<input type="checkbox"/> Disability amount (<i>Form T2201 required</i>)	\$7,196	\$1,435
<input type="checkbox"/> CPP Contributions <i>Maximum Pensionable Earnings \$46,300</i>	\$2118.60	\$425
<input type="checkbox"/> EI Premiums <i>Maximum Insurable Earnings \$42,300</i>	\$731.79	\$147

The following credits are limited by the cost to the taxpayer and are calculated as a percentage of the qualifying amount:

<input type="checkbox"/> Home Renovation Tax Credit <i>Qualifying expenses in excess of \$1,000 to a max of \$10,000</i>	15.00%
<input type="checkbox"/> Public transit passes <i>Monthly or Annual transit passes for self, spouse, or children</i>	15.00%
<input type="checkbox"/> Tuition, education, and textbooks <i>Maximum transferable to supporting spouse, parent, or grandparent \$5,000</i>	20.06%
<input type="checkbox"/> Medical expenses <i>Must exceed lesser of 3% of net income or \$2,011/ \$1,949,</i>	20.06%
<input type="checkbox"/> Charitable donations – first \$200	20.06%
– remainder	43.70%

¹ Split numbers represent Federal / BC amounts

2009 Individual Marginal Rates

Taxable Income		Income	Dividends	
From	To		Regular	Eligible
0	\$35,716	20.06%	3.16%	-14.36%
\$35,717	\$40,726	22.70%	6.46%	-10.54%
\$40,727	\$71,433	29.70%	15.21%	- 0.38%
\$71,434	\$81,452	32.50%	18.71%	3.68%
\$81,453	\$82,014	36.50%	23.71%	9.48%
\$82,015	\$99,588	38.29%	25.95%	12.07%
\$99,589	\$126,264	40.70%	28.96%	15.56%
\$126,265	Over	43.70%	32.71%	19.91%

Combined Federal and BC Income Tax

Taxable Income	Total Tax ²	Self Employed Tax & CPP ³
10,000	-	\$640
15,000	\$420	\$1,670
20,000	\$1,300	\$2,970
25,000	\$2,400	\$4,520
30,000	\$3,470	\$6,070
35,000	\$4,410	\$7,490
40,000	\$5,460	\$8,960
45,000	\$6,830	\$10,640
50,000	\$8,310	\$12,220
55,000	\$9,790	\$13,700
60,000	\$11,280	\$15,190
65,000	\$12,760	\$16,670
70,000	\$14,250	\$18,160
75,000	\$15,830	\$19,680
80,000	\$17,460	\$21,310
85,000	\$19,280	\$23,010
90,000	\$21,190	\$24,920
95,000	\$23,100	\$26,830
100,000	\$25,030	\$28,750
105,000	\$27,060	\$30,740
110,000	\$29,100	\$32,780
120,000	\$33,170	\$36,850
130,000	\$37,350	\$40,970
140,000	\$41,720	\$45,340
150,000	\$46,090	\$49,710
160,000	\$50,460	\$54,080
170,000	\$54,830	\$58,450
180,000	\$59,200	\$62,820
190,000	\$63,570	\$67,190
200,000	\$67,940	\$71,560

Figures have been rounded to the nearest \$10.

Tax Tips for You and Your Family

Have a Financial Plan

If you don't already have a financial plan, NOW is the time to get one. If you have one, NOW is the time to review it. Focusing on your goals helps you control where your money goes!

Contribute to RRSPs

Provided you have contribution room, you can defer tax and save for retirement by contributing to your RRSP. Try to contribute a set amount of your gross earnings every pay cheque.

File on Time

Your tax return is due April 30 unless you or your spouse report self-employed earnings in the year in which case your return is due June 15. Regardless of when your return is due, the balance owing is due April 30. To avoid penalties, file your return by the due date even if you cannot pay the balance owing.

File a Return for Your Child

When your child has earned income, filing a tax return will establish RRSP contribution room that can be carried forward to future years.

Claim Your Child's Unused Education Amount

If your dependant child attends a qualifying educational institution and has unused tuition and educational amounts available for transfer, ask them to transfer to you for an immediate benefit.

Review Tax Changes

Each year our government responds to changes in the economy, public opinion, and the law by implementing tax changes. It is important to review these changes and your personal situation to ensure you are claiming all the tax credits and deductions available to you – keeping your taxes as low as possible.

² Tax computations reflect basic employment income with claims for the basic personal amount applicable CPP, EI, and the Federal Employment amount.

³ Tax computations reflect self-employment income with claims for basic personal amount and applicable CPP.

This information is current to December 2009. The information is of a general nature and is not intended to address the specific circumstances of a particular individual. You should not act on this information without appropriate professional advice after thorough examination of a particular situation. E&OE