

2020 Tax Facts for Ontario Residents

PERSONAL TAX BRACKETS FOR SALARY & DIVIDENDS

2020 MARGINAL TAX RATES

Taxable Income	2020 MARGINAL TAX RATES			
	Salary	Capital Gains	Eligible Public Company 2020*	Non-Eligible Private Company 2020
First \$ 44,740	20.05 %	10.03 %	0 %	9.24 %
\$ 44,740 - 48,535	24.15 %	12.08 %	0 %	13.95 %
\$ 48,535 - 78,783	29.65 %	14.83 %	6.39 %	20.28 %
\$ 78,783 - 89,482	31.48 %	15.74 %	8.92 %	22.38 %
\$ 89,482 - 92,825	33.89 %	16.95 %	12.24 %	25.16 %
\$ 92,825 - 97,069	37.91 %	18.95 %	17.79 %	29.78 %
\$ 97,069 - 150,000	43.41 %	21.70 %	25.38 %	36.10 %
\$ 150,000 - 150,473	44.97 %	22.48 %	27.53 %	37.90 %
\$ 150,473 - 214,368	47.97 %	23.98 %	31.67 %	41.35 %
\$ 214,368 - 220,000	51.97 %	25.98 %	37.19 %	45.95 %
> \$ 220,000	53.53 %	26.76 %	39.34 %	47.74 %

*Includes dividends from CCPCs from active income in excess of business limit.

COMMON PERSONAL TAX CREDITS

	FEDERAL		ONTARIO	
	2020	2019	2020	2019
Basic personal amount	\$ 12,298	\$ 12,069	\$ 10,783	\$ 10,582
Spousal amount or eligible dependent amount (max)	\$ 12,298	\$ 12,069	\$ 9,156	\$ 8,985
Age amount (max)	\$ 7,637	\$ 7,494	\$ 5,265	\$ 5,166
Pension income amount	\$ 2,000	\$ 2,000	\$ 1,491	\$ 1,463
Disability amount	\$ 8,576	\$ 8,416	\$ 8,712	\$ 8,549
Canada employment amount	\$ 1,245	\$ 1,222	\$ 0	\$ 0

Note: Above federal tax credits are applied at 15% and Ontario tax credits are applied at 5.05%.

CLAWBACK OF OLD AGE SECURITY

	OAS Benefit	Start of Clawback at 15% if income is greater than:	OAS fully clawed back when income is greater than:
2020	TBD	\$ 79,054	TBD
2019	\$ 7,217.40	\$ 77,580	\$ 125,696

CPP & EI LIMITS

	CPP Limit	Maximum Pensionable Earnings	EI - Employee Limit	EI - Employer Limit	EI - Maximum Insurable Earnings
2020	\$ 2,898.00	\$ 58,700	\$ 856.36	\$ 1,198.90	\$ 54,200
2019	\$ 2,748.90	\$ 57,400	\$ 860.22	\$ 1,204.31	\$ 53,100

Note: Employer and employees pay the same CPP amount.

Last updated June 24, 2020 - for online version, visit www.davismartindale.com

TAX RATES ON CORPORATE INCOME

CCPC Active Income	2020	2019
\$ 0-500,000	12.20 %	12.50 %
> \$ 500,001	26.50 %	26.50 %
CCPC Investment Income		
Interest	50.17 %	50.17 %
Dividends	38.33 %	38.33 %
Capital Gains	25.09 %	25.09 %

RRSP LIMITS (18% OF EARNED INCOME)

	RRSP Deduction Limit	Prior Year Earned Income Required to Maximize RRSP
2021	\$ 27,830	\$ 154,611
2020	\$ 27,230	\$ 151,278
2019	\$ 26,500	\$ 147,222

PRESCRIBED INTEREST RATES

	QUARTER			
	1st	2nd	3rd	4th
2019	2 %	2 %	2 %	2 %
2018	1 %	2 %	2 %	2 %
2017	1 %	1 %	1 %	1 %

Note: These rates are for shareholder loans and corporate refunds - non-corporate refunds add 2%, overdue balances add 4%.

AUTOMOBILE AMOUNTS

Claim Description	2020	2019
Tax-Exempt Car Reimbursements		
-First 5,000 km	59 cents/km	58 cents/km
-After 5,000 km	53 cents/km	52 cents/km
CCA Threshold - Class 10.1	\$ 30,000	\$ 30,000
Interest expenses limit	\$ 300/mo.	\$ 300/mo.
Leasing limit per month	\$ 800/mo. + taxes	\$ 800/mo. + taxes
Operating expense benefit	28 cents/km	28 cents/km

PENSION SPLITTING WITH SPOUSE

	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
Old Age Security Benefits	No	No

*Except if received due to death of spouse.

IMPORTANT TAX DATES TO REMEMBER

Tax Filings/Installments

Due Date

T2 – Corporate Tax Returns

- Corporations with Sept. 18 to Nov. 29, 2019 fiscal year end
- Corporations with Nov. 30 to Feb. 29 fiscal year end

6 months after year end
June 1 (Extended)
Sept. 1 (Extended)

Corporations must make their tax payment for the current fiscal year:

- If you have an active operating business and prior year taxable income < \$500,000
- For other companies, such as holding companies
- Taxes owing and instalments due as of Mar. 18 - Sept. 1

3 months after year end
2 months after year end
Sept. 1 (Extended)

T3 – Trust Income Tax & Information Return

- Trusts with Dec. 31, 2019 fiscal year end
- Trusts with Jan. 3 to Mar. 2 fiscal year end
- Trusts with Mar. 3 to June 2 fiscal year end
- Taxes owing and instalments due as of Mar. 18 - Sept. 1

May 1 (Extended)
June 1 (Extended)
Sept. 1 (Extended)
Sept. 1 (Extended)

T4 – Statement & Summary of Remuneration Paid

March 2*

T5 – Statement & Summary of Investment Income

March 2*

RRSP Contributions – Deadline

Feb 29

Personal Tax Returns:

- Individual
- Individual (or spouse) with self-employment income
- Taxes Payable
- June 15 instalment

June 1 (Extension from April 30)
June 15
Sept. 1 (Extension from April 30)
Sept. 1 (Extended)

HST Return

- Annual Filer (individuals with Dec. 31 fiscal year end)
 - Taxes Payable
- Annual Filer (except individuals)
 - Dec., Jan., Feb. fiscal year end
- Quarterly Filer
 - If otherwise due Mar., Apr. May
- Monthly Filer
 - If otherwise due Feb., Mar., April
 - Taxes Payable and instalments due as of Mar. 18 - May 1

April 30 (no penalty if filed by June 30)
June 30 (Extended)
3 months after year end
3 months after year end (no penalty if filed by June 30)
1 month after end of quarter
June 30 (Extended)
1 month after end of quarter
1 month after end of quarter (no penalty if filed by June 30)
June 30 (Extended)

EHT Installments (Payroll > \$1,000,000)

- Taxes Payable otherwise due April 1 - Aug. 30

Monthly
Aug. 31 (Extended)

EHT Return

- If otherwise due April 1 - Aug. 30

March 16*
Aug. 31 (Extended)

*Extension to next business day as due date falls on a Saturday or Sunday.

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