

2021 Tax Facts for Ontario Residents

PERSONAL TAX BRACKETS FOR SALARY & DIVIDENDS

2021 MARGINAL TAX RATES

Taxable Income	Salary	Capital Gains	Eligible Public Company 2021*	Non-Eligible Private Company 2021
First \$ 45,142	20.05 %	10.03 %	0 %	9.24 %
\$ 45,142 - 49,020	24.15 %	12.08 %	0 %	13.95 %
\$ 49,020 - 79,505	29.65 %	14.83 %	6.39 %	20.28 %
\$ 79,505 - 90,287	31.48 %	15.74 %	8.92 %	22.38 %
\$ 90,287 - 93,655	33.89 %	16.95 %	12.24 %	25.16 %
\$ 93,655 - 98,040	37.91 %	18.95 %	17.79 %	29.78 %
\$ 98,040 - 150,000	43.41 %	21.70 %	25.38 %	36.10 %
\$ 150,000 - 151,978	44.97 %	22.48 %	27.53 %	37.90 %
\$ 151,978 - 216,511	48.29 %	24.14 %	32.11 %	41.72 %
\$ 216,511 - 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	
	2021	2020	2021	2020
Basic personal amount	\$ 13,808	\$ 13,229	\$ 10,880	\$ 10,783
Spousal amount or eligible dependent amount (max)	\$ 13,808	\$ 13,229	\$ 9,238	\$ 9,156
Age amount (max) \$ 7,637	\$ 7,713	\$ 7,637	\$ 5,312	\$ 5,265
Pension income amount	\$ 2,000	\$ 2,000	\$ 1,504	\$ 1,491
Disability amount	\$ 8,662	\$ 8,576	\$ 8,790	\$ 8,712
Canada employment amount	\$ 1,257	\$ 1,245	\$ 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:
2021	TBD	\$ 79,845	\$ 129,075
2020	\$ 7,364.19	\$ 79,054	\$ 128,149

CPP & EI LIMITS

	CPP Limit	Maximum Pensionable Earnings	EI - Employee Limit	EI - Employer Limit	EI - Maximum Insurable Earnings
2021	\$ 3,166.45	\$ 61,600	\$ 889.54	\$ 1,245.36	\$ 56,300
2020	\$ 2,898.00	\$ 58,700	\$ 856.36	\$ 1,198.90	\$ 54,200

Last updated January 19, 2021 - for online version, visit www.davismartindale.com

TAX RATES ON CORPORATE INCOME

CCPC Active Income	2021	2020
\$ 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
2022	\$ 29,210	\$ 162,278
2021	\$ 27,830	\$ 154,611
2020	\$ 27,230	\$ 151,278

PRESCRIBED INTEREST RATES

	QUARTER			
	1st	2nd	3rd	4th
2021	1 %	TBD	TBD	TBD
2020	2 %	2 %	1 %	1 %
2019	2 %	2 %	2 %	2 %
2018	1 %	2 %	2 %	2 %

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

AUTOMOBILE AMOUNTS

Claim Description	2021	2020
Tax-Exempt Car Reimbursements		
-First 5,000 km	59 cents/km	59 cents/km
-After 5,000 km	53 cents/km	53 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	27 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

6 months after year end

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

3 months after year end

2 months after year end

*Note: Corporations should also continue to make their respective monthly or
quarterly installments for the subsequent fiscal year, if required to do so.*

T3 – Trust Income Tax & Information Return

90 days after period end

T4 – Statement & Summary of Remuneration Paid

March 1*

T5 – Statement & Summary of Investment Income

March 1*

RRSP Contributions – Deadline

March 1

Personal Tax Returns:

- Individual
- Individual with self-employment income (and spouse)
- Taxes Payable (all individuals)

April 30

June 15

April 30

HST Return

- Annual Filer
(individuals with Dec. 31 fiscal year end)
- Annual Filer (except individuals)
- Quarterly Filer
- Monthly Filer

April 30 (payment deadline)

June 15 (filing deadline)

3 months after year end

1 month after end of quarter

1 month after end of reporting period

EHT Installments (Payroll > \$ 600,000)

Monthly

EHT Return

March 15

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

Last updated January 19, 2021