

# TAX TARGET®

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## 2013 LIMITS AND RATES RELATED TO AUTOMOBILE EXPENSES AND FEDERAL PERSONAL TAX CREDITS

### AUTOMOBILE EXPENSES

The rates for automobile expenses, deduction limits and the prescribed rates for determining taxable benefits on automobile operating expenses are as follows for 2013.

	2013	2012
Maximum capital cost of a passenger vehicle for the purposes of capital cost allowance	\$30,000 <sup>(1)</sup>	\$30,000 <sup>(1)</sup>
Allowable interest expenses	\$300 per month	\$300 per month
Allowable leasing expenses <sup>(2) and (3)</sup>	\$800 per month <sup>(1)</sup>	\$800 per month <sup>(1)</sup>
Tax-exempt allowances paid by the employer to the employee – based on the distance the employee travels in his or her automobile:		
First 5,000 kilometres	\$0.54 per km	\$0.53 per km
Any additional kilometres	\$0.48 per km	\$0.47 per km
Operating costs benefit respecting an automobile provided by the employer and used by the employee for personal purposes	\$0.27 per km	\$0.26 per km

<sup>1</sup> Does not include the GST and/or the QST.

<sup>2</sup> Please note that the lease limit remains the same during the entire period of the lease.

<sup>3</sup> This limit is one of the two restrictions on the deduction of automobile lease payments. A separate restriction prorates deductible lease costs where the value of the automobile exceeds the maximum capital cost.

## PERSONAL INCOME TAX PARAMETERS

The following table shows the Federal personal income tax parameters for 2013 in comparison to those for 2012.

	2013	2012
<b>Personal Amounts and Bracket Thresholds</b>	<b>(\$)</b>	<b>(\$)</b>
Basic personal amount	11,038	10,822
Spouse or common-law partner amount	11,038	10,822
Taxable income at which 22% bracket begins	43,561	42,707
Taxable income at which 26% bracket begins	87,123	85,414
Taxable income at which 29% bracket begins	135,054	132,406
<b>Credit Amounts to Reflect Needs</b>		
Infirm dependant amount	6,530 <sup>(4)</sup>	6,402 <sup>(4)</sup>
Net income threshold	6,548	6,420
Caregiver amount	4,490	4,402
Net income threshold	15,334	15,033
Disability amount	7,697	7,546
Amount for children with disabilities	4,490	4,402
Allowable child care and attendant care expenses	2,630	2,578
Medical expense tax credit – 3% of net income ceiling	2,152	2,109
Refundable medical expense tax credit supplement	1,142	1,119
Minimum earnings threshold	3,333	3,268
Family net income threshold	25,278	24,783
Age amount	6,854	6,720
Net income threshold	34,562	33,884
Old Age Security repayment threshold	70,954	69,562

<sup>4</sup> Includes the Family Caregiver Amount of \$2,040.

The matters highlighted in this tax memo are presented in broad general terms and, of course, cannot be applied without consideration of all circumstances. The firm will be pleased to discuss with recipients the possible effects of these matters in specific situations.

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