

# TAX TARGET™

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## 2015 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 2015.

	2015	2014
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	\$0.55 per km	\$0.54 per km
Any additional kilometres	\$0.49 per km	\$0.48 per km
Operating costs benefit respecting an automobile provided by the employer and used by the employee for personal purposes	\$0.27 per km	\$0.27 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 2015 in comparison to those for 2014.

	2015	2014
<b>Personal Amounts and Bracket Thresholds</b>	<b>(\$)</b>	<b>(\$)</b>
Basic personal amount	11,327	11,138
Spouse or common-law partner amount	11,327	11,138
Taxable income at which 22% bracket begins	44,701	43,953
Taxable income at which 26% bracket begins	89,401	87,907
Taxable income at which 29% bracket begins	138,586	136,270
<b>Credit Amounts to Reflect Needs</b>		
Infirm dependant amount	6,700 <sup>(4)</sup>	6,589 <sup>(4)</sup>
Net income threshold	6,720	6,607
Caregiver amount	4,608	4,530
Net income threshold	15,735	15,472
Disability amount	7,899	7,766
Amount for children with disabilities	4,607	4,530
Allowable child care and attendant care expenses	2,699	2,654
Medical expense tax credit – 3% of net income ceiling	2,208	2,171
Refundable medical expense tax credit supplement	1,172	1,152
Minimum earnings threshold	3,421	3,363
Family net income threshold	25,939	25,506
Age amount	7,033	6,916
Net income threshold	35,466	34,873
Old Age Security repayment threshold	72,809	71,592

<sup>4</sup> Includes the Family Caregiver Amount of \$2,093 (\$2,058 in 2014).

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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