

CASE 2 - Maximum Impact

Income Tax Impact

Loss of One-third remuneration exemption

	With Exemption	Without Exemption	
CRD Director Remuneration	\$ 47,905	\$ 47,905	Increase in Taxable income
One-Third tax exempt income	(15,968)	-	
Taxable CRD Director Remuneration	\$ 31,937	\$ 47,905	
Taxable Income from other sources	182,000	182,000	
Total Taxable Income	\$ 213,937	\$ 229,905	\$ 15,968

<i>Federal Income Tax Payable</i>	<i>rate</i>				
\$ -	\$ 46,605	15.00%	\$ 6,991	\$ 6,991	
\$ 46,605	\$ 93,208	20.50%	\$ 9,554	\$ 9,554	
\$ 93,208	\$ 144,489	26.00%	\$ 13,333	\$ 13,333	Increase in Federal Income Tax
\$ 144,489	\$ 205,842	29.00%	\$ 17,792	\$ 17,792	
\$ 205,842	& over	33.00%	\$ 2,671	\$ 7,941	
Non-refundable personal tax credit			\$ (1,744)	\$ (1,744)	
Federal Income Tax Payable			\$ 48,597	\$ 53,867	\$ 5,270

<i>Provincial Income Tax Payable</i>	<i>rate</i>				
\$ -	\$ 39,676	5.06%	\$ 2,008	\$ 2,008	
\$ 39,676	\$ 79,637	7.70%	\$ 3,077	\$ 3,077	
\$ 79,637	\$ 91,707	10.50%	\$ 1,267	\$ 1,267	Increase in Provincial Income Tax
\$ 91,707	\$ 110,630	12.29%	\$ 2,326	\$ 2,326	
\$ 110,630	\$ 150,000	14.70%	\$ 5,787	\$ 5,787	
\$ 150,000	& over	16.80%	\$ 10,741	\$ 13,424	
Non-refundable personal tax credit			\$ (517)	\$ (517)	
Provincial Income Tax Payable			\$ 24,690	\$ 27,372	\$ 2,683

	With Exemption	Without Exemption	Increase in Total Income Tax
Total Federal and Provincial taxes payable	\$ 73,287	\$ 81,239	\$ 7,952

Remuneration increase required to offset tax increase **\$ 11,905**

Federal Marginal Tax Rate & Tax on increase	33.00%	\$ (3,929)
Provincial Marginal Tax Rate & Tax on increase	16.80%	\$ (2,000)

After tax remuneration increase **\$ 5,976**