

TAX TARGET™

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2014 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 2014.

	2014	2013
Maximum capital cost of a passenger vehicle for the purposes of capital cost allowance	\$30,000 ⁽¹⁾	\$30,000 ⁽¹⁾
Allowable interest expenses	\$300 per month	\$300 per month
Allowable leasing expenses ^{(2) and (3)}	\$800 per month ⁽¹⁾	\$800 per month ⁽¹⁾
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	\$0.54 per km
Any additional kilometres	\$0.48 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

¹ Does not include the GST and/or the QST.

² Please note that the lease limit remains the same during the entire period of the lease.

³ 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 2014 in comparison to those for 2013.

	2014	2013
Personal Amounts and Bracket Thresholds	(\$)	(\$)
Basic personal amount	11,138	11,038
Spouse or common-law partner amount	11,138	11,038
Taxable income at which 22% bracket begins	43,953	43,561
Taxable income at which 26% bracket begins	87,907	87,123
Taxable income at which 29% bracket begins	136,270	135,054
Credit Amounts to Reflect Needs		
Infirm dependant amount	6,589 ⁽⁴⁾	6,530 ⁽⁴⁾
Net income threshold	6,607	6,548
Caregiver amount	4,530	4,490
Net income threshold	15,472	15,334
Disability amount	7,766	7,697
Amount for children with disabilities	4,530	4,490
Allowable child care and attendant care expenses	2,654	2,630
Medical expense tax credit – 3% of net income ceiling	2,171	2,152
Refundable medical expense tax credit supplement	1,152	1,142
Minimum earnings threshold	3,363	3,333
Family net income threshold	25,506	25,278
Age amount	6,916	6,854
Net income threshold	34,873	34,562
Old Age Security repayment threshold	71,592	70,954

⁴ Includes the Family Caregiver Amount of \$2,058.

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.

FOR ADDITIONAL INFORMATION, PLEASE CONTACT A MEMBER OF OUR TAX DEPARTMENT:

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