



Personal Tax Credits

Federal and Provincial Non-Refundable Tax Credit Rates and Amounts for 2020¹

	Federal	B.C.	Alta.	Sask.	Man.
Tax rate applied to credits ¹	15.00%	5.06%	10.00%	10.50%	10.80%
Indexation factor ²	1.9%	2.5%	n/a	n/a	2.2%
Basic personal ³	\$12,298	\$10,949	\$19,369	\$16,065	\$9,838
Spousal/partner and wholly dependant person ^{4,5}					
Net income threshold	12,298	9,376	19,369	16,065	9,134
Dependants ⁵					
18 and over and infirm Net income threshold	See Caregiver	See Caregiver	11,212	9,464	3,605
Caregiver ⁵					
Net income threshold	7,276	4,792	11,212	9,464	3,605
Child ⁶ (max)	—	—	—	6,094	—
Adoption ⁷ (max)	16,563	16,563	13,247	—	10,000
Disability ⁸	8,576	8,212	14,940	9,464	6,180
Disability supplement ⁹	5,003	4,792	11,212	9,464	3,605
Pension ⁸ (max)	2,000	1,000	1,491	1,000	1,000
Age 65 and over ^{8,10}					
Net income threshold	7,637	4,910	5,397	4,894	3,728
Medical expense threshold ¹¹	38,508	36,552	40,179	36,430	27,749
Employment ¹²	2,397	2,277	2,504	2,268	1,728
Canada Pension Plan ¹³ (max)	1,245	—	Ref.	—	—
Employment Insurance ¹³ (max)	2,898	2,898	2,898	2,898	2,898
Children's fitness ¹⁴ (max)	856	856	856	856	856
Children's arts ¹⁵ (max)	—	—	—	—	500
Home buyers ¹⁶ (max)	—	—	—	10,000	—
Home accessibility ¹⁷ (max)	5,000	—	—	—	—
Tuition fees ¹⁸	10,000	Ref.	—	—	—
Education ¹⁸					
Full time—per month	Yes	Yes	No	No	Yes
Part time—per month	—	—	—	—	400
Charitable donations ¹⁹	—	—	—	—	120
Credit rate on first \$200	15.00%	5.06%	10.00%	10.50%	10.80%
Credit rate on balance	29.00/33.00%	16.80/20.50%	21.00%	14.50%	17.40%

Refer to notes on the following pages.

Ref. = indicates refundable credit - see applicable note.

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Current as of June 30, 2020

Personal Tax Credits 1

Federal and Provincial Non-Refundable Tax Credit Rates and Amounts for 2020

	Ont.	N.B.	N.S.	PE.I.	Nfld.
Tax rate applied to credits	5.05%	9.68%	8.79%	9.80%	8.70%
Indexation factor ²	1.9%	1.9%	n/a	n/a	0.9%
Basic personal ³	\$10,783	\$10,459	\$8,481	\$10,000	\$9,498
Spousal/partner and wholly dependant person ^{4,5}					
Net income threshold	9,156	8,882	8,481	8,493	7,761
Net income threshold	915	889	848	849	777
Dependants ⁵					
18 and over and infirm	See	4,940	2,798	2,446	3,016
Net income threshold	Caregiver	7,008	5,683	4,966	6,482
Caregiver ⁵	5,082	4,940	4,898	2,446	3,016
Net income threshold	17,388	16,869	13,677	11,953	14,741
Child ⁶ (max)	—	—	1,200	1,200	—
Adoption ⁷ (max)	13,155	—	—	—	12,818
Disability ⁸	8,712	8,468	7,341	6,890	6,409
Disability supplement ⁹	5,080	4,940	3,449	4,019	3,016
Pension ⁹ (max)	1,491	1,000	1,173	1,000	1,000
Age 65 and over ^{8,10}	5,265	5,107	4,141	3,764	6,063
Net income threshold	39,193	38,019	30,828	28,019	33,226
Medical expense threshold ¹¹	2,441	2,367	1,637	1,678	2,068
Employment ¹²	—	—	—	—	—
Canada Pension Plan ¹³ (max)	2,898	2,898	2,898	2,898	2,898
Employment Insurance ¹³ (max)	856	856	856	856	856
Children's fitness ¹⁴ (max)	—	—	—	—	—
Children's arts ¹⁵ (max)	—	—	—	—	—
Home buyers ¹⁶ (max)	—	—	—	—	—
Home accessibility ¹⁷ (max)	—	Ref.	—	—	—
Tuition fees ¹⁸	No	Yes	Yes	Yes	Yes
Education ¹⁸					
Full time—per month	—	—	200	400	200
Part time—per month	—	—	60	120	60
Charitable donations ¹⁹					
Credit rate on first \$200	5.05%	9.68%	8.79%	9.80%	8.70%
Credit rate on balance	11.16%	17.95%	21.00%	16.70%	18.30%

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Current as of June 30, 2020

Personal Tax Credits 2

Federal and Provincial Non-Refundable Tax Credit Rates and Amounts for 2020

Notes

- (1) The table shows the dollar amounts of federal and provincial non-refundable tax credits for 2020 (except for Quebec, see the table "Quebec Non-Refundable Tax Credit Rates and Amounts for 2020"). In order to determine the credit value, each dollar amount must be multiplied by the tax rate indicated, which is the lowest tax rate applicable in the particular jurisdiction. For example, British Columbia's basic personal credit amount of \$10,949 is multiplied by 5.06% to determine the credit value of \$554.

Income earned by the taxpayer or dependant, as applicable, in excess of the net income thresholds shown in the table serves to reduce the availability of the credit on a dollar-for-dollar basis. The only exception to this is the age credit, which is reduced by 15% of the taxpayer's net income in excess of the threshold.

Ontario's tax rate that applies to credits is 7.88% (5.05% x 156%) for an individual who is subject to the 56% surtax.

Prince Edward Island's tax rate that applies to credits is 10.78% (9.80% x 110%) for an individual who is subject to the 10% surtax.

- (2) The indexation factors indicated in the table are used to index the credits in each jurisdiction. The calculation of these factors is based on the change in the average federal or provincial inflation rate over the 12-month period ending September 30 of the previous year compared to the change in the rate for the same period of the year prior to that.

British Columbia, Manitoba, Ontario and Newfoundland and Labrador use the applicable provincial inflation rate in their calculations, while Saskatchewan and New Brunswick use the federal inflation rate. Nova Scotia and Prince Edward Island do not index their credits.

Saskatchewan announced a temporary suspension of the personal income tax indexation factor starting with the 2018 taxation year. Saskatchewan's 2020 budget proposed the re-indexation of the province's personal income tax system to the national rate of inflation, effective in the 2021 taxation year.

Alberta paused the annual indexation of non-refundable tax credits and tax bracket thresholds, and carried forward 2019 amounts for the 2020 and future taxation years. Alberta indicated that it will resume indexing the tax system once it achieves the required economic and fiscal conditions.

Manitoba only indexes the basic personal amount and the personal income tax brackets. Other non-refundable tax credits are not indexed.

- (3) Nova Scotia provides an additional basic personal amount of \$3,000 where a taxpayer's income is \$25,000 or less. This amount will decrease proportionately if the taxpayer's income is between \$25,000 and \$75,000.

Prince Edward Island increased the province's basic personal amount to \$10,000 (from \$9,160) and proportionately changed the spouse and equivalent-to-spouse amounts to \$8,493 (from \$7,780), effective January 1, 2020. The province's 2020 budget proposed to further increase the basic personal amount to \$10,500 (from \$10,000), effective January 1, 2021.

The federal government proposed to gradually increase the federal basic personal amount, the spouse/partner amount, and the wholly dependant person amount over four years. The basic personal amount will be increased to \$13,229 in 2020, \$13,808 in 2021, \$14,398 in 2022 and \$15,000 in 2023. The increase to the basic personal amount is gradually reduced for individuals with net incomes above \$150,473 in 2020. As well, the spousal amount and eligible dependant credit would also be gradually reduced for individuals with net income above \$150,473 in 2020, and will continue to be reduced dollar-for-dollar based on the net income of the dependant. Individuals with net incomes over \$214,368 in 2020 will not be affected by these changes. These proposed measures have not been enacted into legislation but the CRA is administering the measures as though they are in force.

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Federal and Provincial Non-Refundable Tax Credit Rates and Amounts for 2020

- (4) The spousal/partner and wholly dependant person amounts are calculated by subtracting the spouse/partner and wholly dependant's net income from the maximum amount.

The spousal/partner credit may be claimed for a common-law partner as well as for a spouse. Taxpayers who are single, divorced or separated, and who support a dependant in their home may claim the wholly dependent person credit. The credit can be claimed for dependants under the age of 18 who are related to the taxpayer, for the taxpayer's parents or grandparents, or for any other infirm person who is related to the taxpayer (see note (5)).

Nova Scotia provides an additional non-refundable tax credit for spousal/partner and wholly dependant person in the year if their income is \$25,000 or less. The amount for 2020 is \$3,000. This amount will decrease proportionately if their income is between \$25,000 and \$75,000.

- (5) The Canada caregiver credit is available to taxpayers who care for a related dependant. Generally, the dependant must be over the age of 18 and infirm, or, in the case of a parent or grandparent, over the age of 65 (except for federal and Ontario purposes, where the credit is not available in respect of non-infirm dependants).

For the federal Canada caregiver credit, the credit amount is \$7,276 in respect of infirm dependants who are parents, grandparents, brothers/sisters, aunts/uncles, nieces/nephews, adult children and grandchildren of the claimant or of the claimant's spouse or common law partner, and \$2,273 in respect of an infirm dependent spouse or common-law partner in respect of whom the individual claims the spouse or common-law partner amount, an infirm dependant for whom the individual claims an eligible dependent credit, or an infirm child who is under the age of 18 years at the end of the year.

For Ontario and British Columbia, the credit amount is \$5,082 and \$4,792, respectively, in respect of relatives who are infirm dependants, including adult children of the claimant or of the claimant's spouse or common-law partner.

- (6) Nova Scotia and Prince Edward Island provide a credit for children under the age of 6. If certain conditions are met, an individual can claim \$100 per eligible month for a maximum of \$1,200 per year. Unused credit amounts may be transferred between spouses.

Saskatchewan provides a credit for children under the age of 18 if certain conditions are met. Unused credit amounts may be transferred between spouses.

- (7) The adoption credit is available on eligible adoption expenses incurred in the year and not reimbursed to the taxpayer, up to the maximum amount indicated in the table.
- (8) The disability, pension and age credits are transferable to a spouse or partner. The amounts available for transfer are reduced by the excess of the spouse's or partner's net income over the basic personal credit amount. The disability credit is also transferable to a supporting person other than a spouse or partner; however, the amount of the credit is reduced by the excess of the disabled person's net income over the basic personal credit amount.

Federal and Provincial Non-Refundable Tax Credit Rates and Amounts for 2020

Notes, continued

- (9) The disability supplement may be claimed by an individual who is under the age of 18 at the end of the year. The amount in the table represents the maximum amount that may be claimed, and is reduced by certain child and attendant care expenses claimed in respect of this individual.
- (10) Saskatchewan provides an additional non-refundable tax credit for individuals aged 65 or older in the year, regardless of their net income amount. The amount for 2020 is \$1,292.
- Nova Scotia provides an additional non-refundable tax credit for individuals aged 65 or older in the year if their taxable income is \$25,000 or less. The amount for 2020 is \$1,465. This amount will decrease proportionately if their income is between \$25,000 and \$75,000.
- (11) The medical expense credit is calculated based on qualified medical expenses exceeding 3% of net income or the threshold shown in the table, whichever is less. Medical expenses incurred by both spouses/partners and by their children under age 18 may be totalled and claimed by either spouse/partner.
- Taxpayers can also claim medical expenses for other eligible dependants to the extent the amount exceeds the lesser of 3% of net income of the dependant or the threshold shown in the table. Ontario is currently the only province with a maximum allowable medical expense for other eligible dependants. The limit is \$13,155 for 2020.
- (12) The federal employment credit may be claimed by individuals based on the lesser of the amount indicated in the table and the amount of employment income earned in the year.
- Alberta offers a refundable family employment credit for Alberta residents with children under the age of 18 who meet the income eligibility criteria. The credit is generally paid out in January and July of each year. In July 2020, the Alberta child and family benefit will replace the Alberta child benefit and Alberta family employment credit. This benefit will be non-taxable and will be paid quarterly.
- (13) Self-employed taxpayers can deduct 50% of their Canada or Quebec Pension Plan premiums in calculating net income. The balance is claimed as a non-refundable tax credit. Self-employed taxpayers can also claim Employment Insurance premiums paid.
- (14) Manitoba is the only province that provides fitness tax credit. Taxpayers in Manitoba can claim a maximum of \$500 for fees paid on registration or membership for an eligible program of physical activity for children under the age of 18 at the end of the year, spouse or common law partner aged 18 to 24 at the end of the year, and self if under 25 years of age at the end of the year. For children or young adults eligible for the disability tax credit, taxpayers can claim an additional \$500 if a minimum of \$100 is paid for registration or membership fees for a prescribed program of physical activity.
- (15) Manitoba is the only province that provides children's arts tax credits. Taxpayers in Manitoba can claim a maximum of \$500 for fees paid relating to the cost of registration or membership in an eligible program of artistic, cultural, recreational, or developmental activity for children under the age of 16 (or 18 if eligible for the disability tax credit) at the beginning of the year. For children under 18 years of age at the beginning of the year eligible for the disability tax credit, taxpayers can claim an additional \$500 if a minimum of \$100 is paid for registration or membership fees for an eligible artistic program.

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- (16) First-time home buyers who acquire a qualifying home during the year may be entitled to claim a federal non-refundable tax credit up to \$5,000 and worth up to \$750 ($\$5,000 \times 15\%$).

To qualify, neither the individual nor his or her spouse or common-law partner can have owned and lived in another home in the calendar year of the new home purchase or in any of the four preceding calendar years. The credit can be claimed by either the purchaser or by his or her spouse or common-law partner.

The credit will also be available for certain home purchases by or for the benefit of an individual eligible for the disability tax credit.

Saskatchewan's First-Time Home Buyers Tax Credit provides a non-refundable income tax credit of up to \$1,050 ($10.5\% \times \$10,000$) to eligible taxpayers. There are also provisions to allow persons with a disability to qualify for the purchase of more accessible homes, with eligibility rules similar to those for the existing federal incentive for first-time home buyers. The credit generally applies to qualifying homes acquired after December 31, 2011.

- (17) The home accessibility tax credit provides a credit for qualifying expenses incurred for work performed or goods acquired in respect of a qualifying renovation of an eligible dwelling of someone who is 65 years or older before the end of the taxation year or eligible for the disability tax credit. British Columbia and New Brunswick provide a refundable credit of up to \$1,000 for similar expenses.
- (18) The eligible portion of the tuition and education tax credits are transferable to a spouse or common-law partner, parent or grandparent. Any amounts not transferred may be carried forward indefinitely by the student.
- Alberta eliminated the province's education and tuition tax credits, effective January 1, 2020.
- (19) Charitable donations made by both spouses/partners may be totalled and claimed by either person. The maximum amount of donations that may be claimed in a year is 75% of net income. However, all donations may be carried forward for five years if they are not claimed in the year made.

The federal donation tax credit rate of 33% applies to charitable donations made after 2015 over \$200 to the extent of the claimant's income that is subject to the top tax bracket (over \$214,368 for 2020). Otherwise, the rate of 29% applies to the donations over \$200.

British Columbia's 2020 budget proposed a new top personal income tax rate of 20.50% on taxable income over \$220,000 effective January 1, 2020. As a result, the province's tax credit for donations is 5.06% on the first \$200 of donations in the year and a 20.5% donation credit can be claimed to the extent the donor's income exceeds \$220,000. All remaining donations are subject to a 16.8% tax credit rate. These proposed measures have not been enacted into legislation but the CRA is administering these measures as though they are in force.

Ontario's tax credit rate for donations over \$200 is 17.41% for an individual who is subject to the 56% surtax.

Prince Edward Island's tax credit rate for donations over \$200 is 18.37% for an individual who is subject to the 10% surtax.