



# CLEARLY FINANCIALS\*

CHARTERED PROFESSIONAL ACCOUNTANTS

Accounting and Taxation Solutions  
for You and Your Small Business

## 2023 Tax Guide

\*Denotes Professional Corporation



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# 2023 Combined Federal & Alberta

2023 Taxable Income	AB 2023 Marginal Tax Rates			
	Other Income	Capital Gains	Canadian	Dividends
			Eligible	Non-Eligible
First \$53,359	25.00%	12.50%	2.57%	15.86%
over \$53,359 up to \$106,717	30.50%	15.25%	10.16%	22.18%
over \$106,717 up to \$142,292	36.00%	18.00%	17.75%	28.51%
over \$142,292 up to \$165,430	38.00%	19.00%	20.51%	30.81%
over \$165,430 up to \$170,751	41.32%	20.66%	25.09%	34.63%
over \$170,751 up to \$227,668	42.32%	21.16%	26.47%	35.78%
over \$227,668 up to \$235,675	43.32%	21.66%	27.85%	36.93%
over \$235,675 up to \$341,502	47.00%	23.50%	32.93%	41.16%
over \$341,502	48.00%	24.00%	34.31%	42.31%

Marginal tax rate for dividends is a % of actual dividends received (not grossed-up taxable amount).

Marginal tax rate for capital gains is a % of total capital gains (not taxable capital gains).

Gross-up rate for eligible dividends is 38%, and for non-eligible dividends is 15%.

Federal Basic Personal Amount	Alberta Basic Personal Amount
15%	10%
Credit on the first \$15,000 of income	Credit on the first \$21,003 of income

## Canada Pension Plan (CPP) and Employment Insurance (EI)

	Employee	Employer	Combined	
CPP	Rate:	5.95%	5.95%	11.90%
	Max:	\$3,754.45	\$3,754.45	\$7,508.90
	Maximum pensionable earnings	\$66,600		
EI	Rate:	1.63%	2.282%	3.912%
	Max:	\$1,002.45	\$1,403.43	\$2,405.88
	Maximum insurable earnings	\$61,500		

## RRSP and TFSA Contribution Limits

RRSP	18% of earned income, up to a maximum of \$30,780		
TFSA	Annual limit \$6,500	Cumulative total \$88,000	

## Registered Retirement Income Fund (RRIF)

### Minimum Annual RRIF Withdrawal

Age	RRIF Factor	Age	RRIF Factor	Age	RRIF Factor	Age	RRIF Factor
64	3.85%	72	5.40%	80	6.82%	88	10.21%
65	4.00%	73	5.53%	81	7.08%	89	10.99%
66	4.17%	74	5.67%	82	7.38%	90	11.92%
67	4.35%	75	5.82%	83	7.71%	91	13.06%
68	4.55%	76	5.98%	84	8.08%	92	14.49%
69	4.76%	77	6.17%	85	8.51%	93	16.34%
70	5.00%	78	6.36%	86	8.99%	94	18.79%
71	5.28%	79	6.58%	87	9.55%	95+	20.00%

Consider converting some of your RRSP to a RIF at age 65 to generate pension income.

## Canada Pension Plan (CPP)

### Type of pension or benefit

### Max Payment/Month

Retirement pension (at age 65)

\$1,306.57

Post-retirement Benefit (CCP) (at age 65)

\$40.25

Pensions start at age 65. Pensions are reduced by 0.6% for each month you receive it before age 65 (starting from age 60). Pensions are increased by 0.7% for each month you delay receiving it (up to age 70).

## Old Age Security Pension (OAS) 2023 October to December 2023

Benefits start at age 65 and increase by 0.6%

Max Payment/Month

Maximum Income

for each month that you defer payments (up to age 70).

65 to 74 \$707.68

\$142,609.00

Penioners aged 75+ automatically receive a 10% increase as of July 2022.

75+ \$778.45

\$148,179.00

### OAS Clawback

If your income is over the Threshold amount, OAS is clawed back by 15% x the excess over the Threshold.

2023 Threshold

\$86,912

Upper Threshold (full OAS benefit clawed back)

Age 65 to 74 \$142,609

Age 75+ \$148,179

# 2023 Corporate Income Tax Rates

	Federal	Alberta	Total
Small Business Tax Rate	9%	2%	11%
General Corporate Tax Rate	15%	8%	23%
Investment Income	38.70%***	8%	46.70%***
Capital Gains	19.35%	4%	23.35%
Small Business Limit	\$ 500,000		

The small business tax rate is available on active business income up to the small business limit. The small business limit decreases if the corporation's taxable capital exceeds \$10 million or if aggregate investment income exceeds \$50,000.






\*\*\* The federal tax rate on investment income includes a 10.67% refundable tax.  
2023 Lifetime Capital Gains Exemption \$971,190.

## The Clearly Financials Difference

Running a business can be complicated. A good accountant will interpret the numbers for you and guide you to grow a profitable business.

At Clearly Financials, we pride ourselves on helping our clients establish effective systems which make their companies operate intelligently and efficiently. We help progressive business owners save time, solve problems and keep more of their money in their own pockets.

## Our Services

				
<b>BUSINESS FOUNDATION SERVICES</b>	<b>SMART ACCOUNTING</b>	<b>BUSINESS PERFORMANCE MANAGEMENT</b>	<b>ADVISORY SERVICES</b>	<b>PERSONAL TAX SERVICES</b>
Get your business started off right	We use modern tech to make your paperwork easy	Grow your business	Plan for your family's future	Get all the tax credits you are entitled to
<ul style="list-style-type: none"> <li>✓ Business Structure Selection (Sole-proprietorship, partnership, corporation)</li> <li>✓ Business Setup</li> <li>✓ Business Plans</li> </ul>	<ul style="list-style-type: none"> <li>✓ Corporate Tax</li> <li>✓ Bookkeeping</li> <li>✓ Online Payroll</li> <li>✓ GST Filing</li> </ul>	<ul style="list-style-type: none"> <li>✓ Forecasting</li> <li>✓ Goal Setting</li> <li>✓ Budgeting</li> <li>✓ Scenario Planning</li> </ul>	<ul style="list-style-type: none"> <li>✓ Succession planning</li> <li>✓ Estate Planning</li> <li>✓ Buying or Selling a Business</li> </ul>	<ul style="list-style-type: none"> <li>✓ Self-employed individuals</li> <li>✓ Rental activities</li> <li>✓ E-Commerce</li> <li>✓ Investment Activity</li> </ul>

Kelvin is the President of Clearly Financials, with over 18 years of industry experience. He has successfully empowered businesses and individuals to achieve their financial ambitions. Kelvin works closely with his clients to improve their efficiencies and profitability. Kelvin will guide you to understand your numbers in a meaningful way and help you get the most out of your business.

