

More than just Newfoundland tax rates

It's important to know your tax rates, but it's what you do with this information that really counts. The experienced advisors at Grant Thornton LLP will help you strategically navigate today's tax issues, plan for tomorrow, and achieve your greatest potential. Let's create the roadmap to your goals.

2022 NL rate card: Combined federal and provincial personal income tax rates*

Taxable income	Taxes payable on salary / interest income	Effective tax rate	Marginal tax rate on incremental income			
			Salary / Interest income	Capital gains	Eligible dividends	Non eligible dividends
20,000	1,727	8.64%	23.70%	11.85%	3.28%	13.19%
30,000	4,097	13.66%	23.70%	11.85%	3.28%	13.19%
40,000	6,517	16.29%	29.50%	14.75%	11.29%	19.86%
50,000	9,467	18.93%	29.50%	14.75%	11.29%	19.86%
60,000	12,956	21.59%	35.00%	17.50%	18.88%	26.19%
70,000	16,456	23.51%	35.00%	17.50%	18.88%	26.19%
80,000	19,978	24.97%	36.30%	18.15%	20.67%	27.68%
90,000	23,608	26.23%	36.30%	18.15%	20.67%	27.68%
100,000	27,238	27.24%	36.30%	18.15%	20.67%	27.68%
110,000	31,397	28.54%	41.80%	20.90%	28.26%	34.01%
120,000	35,577	29.65%	41.80%	20.90%	28.26%	34.01%
150,000	48,321	32.21%	43.80%	21.90%	31.02%	36.31%
175,000	59,926	34.24%	47.18%	23.59%	35.69%	40.19%
200,000	71,807	35.90%	49.18%	24.59%	38.45%	42.49%
300,000	124,321	41.44%	53.80%	26.90%	44.82%	47.81%
400,000	178,121	44.53%	53.80%	26.90%	44.82%	47.81%
500,000	231,921	46.38%	54.30%	27.15%	45.51%	48.38%
700,000	340,521	48.65%	54.30%	27.15%	45.51%	48.38%
1,000,001	503,421	50.34%	54.80%	27.40%	46.20%	48.96%

***Note:** These rates take into account the basic personal tax credits only and do not include the impact of alternative minimum tax. Mixed income sources will change the effective rates. Calculations are based on rate changes up to November 2, 2021. Rates are subject to change.

2022 Federal personal tax credits

Basic*	\$14,398
Spouse*	\$14,398
Age	\$7,898
Disability	\$8,870
Pension	\$2,000

2022 OAS repayment income threshold

Clawback at 15% in excess of	\$81,761
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CPP

Rate (employee/ employer) ¹	5.70%
Max. contribution	\$3,499.80
Max. pensionable earnings	\$64,900
Basic exemption	\$3,500

EI

Employee rate	1.58%
Max. employee premium	\$952.74
Max. insurable earnings	\$60,300

Note 1: 4.95% contribution will be allowed as a non-refundable tax credit and 0.75% additional contribution will be allowed as a deduction from income on the tax return.

Newfoundland - Integration for 2022 calendar year¹

Individuals		
	Tax rates ^{2,3}	Reference
Other income ⁷	54.80	A
Capital gains	27.40	B
Eligible dividends (actual amount) ⁸	46.20	C
Ineligible dividends (actual amount) ⁹	48.96	D

NL Corporation income tax rates for CCPCs ¹⁰ :		
	Tax rates ^{2,3}	Reference
ABI		
up to \$500,000	12.00	
over \$500,000	30.00	
Investment income	53.67	

Corporations - Active business income		
Eligible for the Small Business Deduction (SBD)	Tax rates ³	Reference
Initial corporate tax	12.00	E
Tax on distribution (ineligible dividend)	43.08	
Combined tax	55.08	F
Deferral	42.80	A-E
Savings/(Cost) ⁴	(0.28)	A-F
General income not eligible for SBD or M&P deduction		
Initial corporate tax	30.00	G
Tax on distribution (eligible dividend)	32.34	
Combined tax	62.34	H
Deferral	24.80	A-G
Savings/(cost) ⁴	(7.54)	A-H

Canadian controlled private corporations - Canadian investment income ⁵		
Interest income eligible for refundable part I tax	Tax rates ³	Reference
Initial corporate tax	53.67	I
Net of NERDTH refund	23.00	
Tax on distribution (ineligible dividend)	37.70	
Combined tax	60.70	J
Deferral (prepayment)	1.13	A-I
Savings/(cost) ⁴	(5.90)	A-J
Capital gains eligible for refundable part I tax		
Initial corporate tax	26.84	K
Net of NERDTH refund	11.50	
Tax on distribution (ineligible dividend) ⁶	18.85	
Combined tax	30.35	L
Deferral (prepayment)	0.57	B-K
Savings/(cost) ⁴	(2.95)	B-L
Dividend income subject to part IV tax		
Initial corporate tax	38.33	M
Net of Part IV tax refund	0.00	
Tax on distribution (ineligible dividend)	48.96	
Combined tax	48.96	N
Deferral (prepayment)	10.63	D-M
Savings/(cost) ⁴	0.00	D-N

Notes and assumptions:

- 1 All calculations are based on rate changes announced up to Nov 2, 2021.
- 2 All calculations are based on the top marginal federal-provincial personal tax rate.
- 3 Tax rates are expressed as a percentage.
- 4 This represents the tax savings/(costs) of distributing the after-tax corporate income as dividends as opposed to a salary/bonus.
- 5 This table assumes dividends can be paid fully to recover non-eligible or eligible RDTH.
- 6 It is assumed that the non-taxable portion of the capital gain is distributed as a tax-free capital dividend.
- 7 Effective January 1, 2022, for individuals, the province increased tax rates for taxable incomes over \$135,973 and added 3 new tax brackets.
- 8 For eligible dividends received in 2022, the provincial dividend tax credit rate increased from 5.4% to 6.3% [% of grossed-up dividend].
- 9 For non-eligible dividends received in 2022, the provincial dividend tax credit rate is reduced from 3.5% to 3.2% [% of grossed-up dividend].
- 10 Corporate tax rates do not factor in rules that grind the business limit or other rules that might impact the effective tax rate in a province. Please consider other items that may affect corporate tax rates in any given situation.



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