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Marmer Penner Newsletter

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2003 ONTARIO BUDGET

On March 27, 2003, the Honourable Janet Ecker released her second provincial budget. The budget features a number of personal tax reductions as detailed below.

The lowest and middle tax bracket were reduced as follows:

Taxable Income	2003	2004
\$0 - \$32,435	6.05%	5.65%
\$32,436 to \$64,871	9.15%	8.85%
over \$64,871	11.16%	11.16%

These reductions will reduce income tax by \$227 paid by a taxpayer earning over \$64,871.

In addition, the 20% surtax has been eliminated on earnings in excess of about \$54,000. This saves up to a maximum of another \$196. As a result, the maximum personal income tax savings per individual from these two tax cuts is \$423.

Taxpayers entitled to claim the caregiver credit, infirmed dependant credit and the disability credit supplement for disabled children will see all these credits increased from a value of \$223 to \$375 as long as the dependant's income does not exceed \$13,050.

The equity and education tax credit, also known as the private school tuition rebate, was scheduled to be frozen at 10% for 2003 as a result of the 2002 budget. It has now been revived and will increase to 20% in 2003 as originally scheduled.

As a result of the election which is expected to be called this year and the opposition of the Liberals and NDP to a number of these tax changes, it is by no means certain that these tax proposals will be passed.

This newsletter is intended to highlight areas where professional assistance may be required. It is not intended to substitute for proper professional planning. The professionals at Marmer Penner will be pleased to assist you with any matters that arise. Please feel free to visit our website at www.marmerpenner.com.