

2009 indexation adjustment for personal income taxes

Each year, certain personal income tax amounts are indexed to inflation using the Consumer Price Index data as reported by Statistics Canada.

Increases to tax bracket thresholds, amounts relating to non-refundable credits, and most other amounts will take effect on January 1, 2009. However, increases to the Canada Child Tax Benefit (including the National Child Benefit Supplement and the Child Disability Benefit) and the goods and services tax credit will take effect on July 1, 2009, to coincide with the beginning of the program year for payment of these benefits.

The following chart compares the indexed amounts for the 2008 and 2009 tax years. It reflects an indexation increase of 2.5% for 2009.

	2009 (\$)	2008 (\$)
Tax bracket thresholds		
Taxable income above which the 22% bracket begins	38,832	37,885
Taxable income above which the 26% bracket begins	77,664	75,769
Taxable income above which the 29% bracket begins	126,264	123,184
Amounts relating to non-refundable tax credits		
Basic personal amount [Footnote]	10,100	9,600
Age amount	5,408	5,276
Net income threshold	32,312	31,524
Spouse or common-law partner amount (maximum) [Footnote]	10,100	9,600
Amount for an eligible dependant (maximum) [Footnote]	10,100	9,600
Amount for children under age 18 (maximum per child)	2,089	2,038
Canada employment amount (maximum)	1,044	1,019

Infirm dependant amount (maximum per dependant)	4,198	4,095
Net income threshold	5,956	5,811
Caregiver amount (maximum per dependant)	4,198	4,095
Net income threshold	14,336	13,986
Disability amount	7,196	7,021
Supplement for children with disabilities (maximum)	4,198	4,095
Threshold relating to allowable child care and attendant care expenses	2,459	2,399
Adoption expenses (maximum per adoption)	10,909	10,643
Medical expense tax credit—3% of net income ceiling	2,011	1,962
Refundable medical expense supplement		
Maximum supplement	1,067	1,041
Minimum earnings threshold	3,116	3,040
Family net income threshold	23,633	23,057
Old Age Security repayment threshold	66,335	64,718
Certain board and lodging allowances paid to players on sports teams or members of recreation programs		
Income exclusion (maximum per month)	313	306
Tradesperson's tools deduction		
Threshold amount relating to cost of eligible tools	1,044	1,019
Goods and services tax credit		
Adult maximum	248	242
Child maximum	130	127
Single supplement	130	127
Phase-in threshold for the single supplement	8,047	7,851
Family net income at which credit begins to phase out	32,312	31,524

Canada Child Tax Benefit		
Base benefit	1,340	1,307
Additional benefit for third child	93	91
Family net income at which base benefit begins to phase out	38,832	37,885
National Child Benefit (NCB) supplement		
First child	2,076	2,025
Second child	1,837	1,792
Third child	1,747	1,704
Family net income at which NCB supplement begins to phase out	21,816	21,287
Family net income at which NCB supplement phase-out is complete	38,832	37,885
Child Disability Benefit (CDB)		
Maximum benefit	2,455	2,395
Family net income at which CDB supplement begins to phase out	38,832	37,885
Children's Special Allowances (CSA)		
CSA base amount	3,416	3,332

Footnote

Under changes announced on October 30, 2007, in the 2007 Economic Statement, the basic personal amount, the maximum spouse or common-law partner amount, and the maximum amount for an eligible dependant were increased to \$9,600 for the 2007 and 2008 tax years, and are further increased to \$10,100 for 2009.

As announced in the 2007 Federal Budget, the net income threshold has been eliminated for the 2007 and subsequent tax years. The spouse or common-law partner amount and the amount for an eligible dependant are calculated by subtracting the net income of the spouse or common-law partner or the dependant, as applicable, from the maximum amount (\$10,100 for 2009, \$9,600 for 2007 and 2008).