

Comparison of Alberta Tax – Old and New Systems

Single Income Family Earning \$50,000 with Two Children

(dollars)

CALCULATION OF TAXABLE INCOME AND BASIC FEDERAL TAX IN 2001	
Total Income	50,000
Minus RRSP deduction	<u>5,000</u>
Taxable Income	45,000
Preliminary Federal Tax	
Bracket 1 Tax:	5,030
Lesser of Taxable Income and \$29,590 x 17%	
Plus Bracket 2 Tax:	4,007
Taxable Income over \$29,590, but not over \$59,180 x 26%	
Plus Bracket 3 Tax:	-
Taxable income over \$59,180 x 29%	
Preliminary Federal Tax	9,037
Federal Non-Refundable Tax Credits	
Basic	7,131
Spousal	6,055
Employment Insurance Premiums	936
Canada Pension Plan Premiums	1,488
Other Amounts	-
Total Amounts	<u>15,610</u>
Total Credits (Total Amounts x 17%)	2,654
Basic Federal Tax	
Preliminary Federal Tax	9,037
Minus Total Credits	<u>2,654</u>
Basic Federal Tax	6,383

NEW SINGLE RATE SYSTEM	
ALBERTA TAX PAYABLE IN 2001	
Taxable Income x 11%	4,950
Minus Alberta Non-Refundable Tax Credits:	
Basic	11,620
Spousal	11,620
Other Federal Amounts	<u>2,424</u>
Alberta Amounts	25,664
Total Credits (\$25,664 x 11%)	2,823
Minus Alberta Family Employment Tax Credit	
	<u>200</u>
Total Alberta Tax	1,927

SAVINGS IN 2001: \$907

OLD TAX ON TAX SYSTEM	
ALBERTA TAX PAYABLE IN 2001	
Basic Federal Tax (BFT)	6,383
Basic Alberta Tax (BFT x 44%)	2,809
Plus Alberta Flat Tax (Taxable Income x 0.5%)	225
Total Taxes before Reduction and Refundable Credits	3,034
Minus Alberta Selective Tax Reduction	
	-
Minus Alberta Family Employment Tax Credit	
	<u>200</u>
Total Alberta Tax	2,834