



Updated as of July 31, 2018

2018 Combined Federal and Provincial Average Tax Rates for Prince Edward Island

(See separate schedule for Marginal Tax Rates)

Personal Taxable Income	Tax Rate
	(Note)
\$12,000	0%
\$15,000	5%
\$20,000	11%
\$30,000	16%
\$40,000	19%
\$50,000	21%
\$60,000	24%
\$75,000	26%
\$100,000	29%
\$125,000	32%
\$150,000	34%
\$200,000	38%
\$250,000	40%
\$500,000	46%
\$1,000,000	49%

Note: No credits other than the basic personal amount are included as deductions for this table. These rates apply to regular income, such as employment, interest and business income. Taxable Canadian dividends are taxed at lower rates, and only 50% of capital gains are taxable. Effects of various clawbacks are excluded, which can be substantial. Increasing income may result in reductions of EI benefits, Old Age Security, Guaranteed Income Supplement, age credit, Child Tax Benefit, GST/HST Credit, medical expense credit, nursing home subsidies and other payments and benefits. Alternative minimum tax may also be applicable. Rates vary by province and territory, and may be changed at any time. See your tax advisor for the most current and complete information.

Important – Average Rates vs. Marginal Rates: Average tax rates relate to approximation of income taxes in relation to total taxable income. When calculating the “extra” tax cost of a specific amount being added to your other taxable income, such as an immediate RRSP withdrawal, “marginal tax rates” should be used. An “average” rate is appropriate when estimating taxes based on your total income where all sources of income are considered equal. For example, the average tax rate would apply to assets being valued for divorce purposes that are not to be taxed until many years in the future *along with* your other income, but the marginal rate would be used for amounts to be taxed immediately *in addition to* your existing income.

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