

Taxation

All Rates current as of January 1, 2001, unless otherwise stated.

N/A = Not Applicable

Taxation

Corporate Income Tax/Franchise Tax	Small Business	Mfg	Non-Mfg	Notes
Federal				
Rate (range)	13.12%	22.12%	27.12%	Non-mfg rate drops to 21.12% by January 1, 2004. Income apportioned only to provinces where a permanent establishment exists
Formula (e.g. Sales, Property & Payroll)	Payroll & Gross Revenue	Payroll & Gross Revenue	Payroll & Gross Revenue	
Accelerated Depreciation Permitted	No	No	No	
State (Provincial)				
Rate (range)	4.50%	16.50%	16.50%	
Formula (e.g. Sales, Property & Payroll)	Income	Income	Income	
Federal Tax Deductible	Yes	Yes	Yes	
Local				
Rate (range)	N/A	N/A	N/A	British Columbia has no local corporate income taxes
Total Federal and Provincial Corporate Income Tax	17.62%	38.62%	44.62%	
Capital Tax - Federal - non-Deductible Expense	0.225%	0.225%	0.225%	
Capital Tax - Provincial - non-Deductible Expense	<0.300%	0.300%	0.300%	Eligible new investments subject to four year tax holiday. Rate for small business varies by amount of paid up capital.
Personal Income Tax Rate (Range)	Federal	Prov (State)	Local	
Earned Income	16.00% - 29.00%	8.40% - 19.70%	N/A	
Unearned Income (e.g. Dividend)	3.33% - 19.58%	2.25% - 16.38%	N/A	
Capital Gains	8.00% - 14.50%	4.20% - 9.85%	N/A	
Sales/Use Tax Rate	Rate	Notes		
Federal (Goods and Service Tax) -- GST	7%	GST on business inputs is fully recoverable		
Provincial (State) Sales Tax -- PST	7%			
Local	N/A	British Columbia has no local sales tax		
Total (Effective Combined Rate) Business	7%	Net of GST		
Sales Tax Rate by Utility	Rate	Notes		
Electric Power	7%	Net of GST		
Natural Gas	7%	Net of GST		
Fuel Oil	7%	Net of GST		
Water	0%	Net of GST		
Sewer	0%	Net of GST		
Hazardous Waste Disposal	7%	Net of GST		
Telephone Subject to Sale/Use Tax	Yes/No	Rate	Notes	
Local	Yes	7%	Net of GST	
Long Distance In State	Yes	7%	Net of GST	

Long Distance Out of State	Yes	7%	Net of GST
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Machinery & Equipment Subject to Sales/Use Tax

	Yes/No	Rate	Notes
Production	Yes	7%	Net of GST. Manufacturers may receive a 3% tax credit on purchases of new equipment, machinery or buildings
Non-Production	Yes	7%	Net of GST
Pollution Control	Yes	7%	Net of GST
Office Furniture/Fixtures/Equipment	Yes	7%	Net of GST

Sales/Use Tax on Tangible Property

	Yes/No	Rate	Notes
Office Building Construction Materials	Yes	7%	Net of GST
Industrial Building Construction Materials	Yes	7%	Net of GST
Manufacturers' Raw Materials	No	0%	No sales/use tax on manufacturers' raw materials
Standard Software	Yes	7%	Net of GST
Custom Software	Yes	7%	Net of GST

Sales/Use Tax on Intangible Property

	Yes/No	Rate	Notes
Accounts Receivable	No	0%	
Capital Stock	No	0%	
Stock/Bond Transaction Fee	No	0%	

Real Property Tax Rates per \$100 of Assessed Property (Land and Buildings) - Municipal

	Residential	Utilities	Forestry	Major Ind.	Light Ind.	Business	Farm	Tree Farm	Recreation
City (Municipal) Millage	0.92999	5.79752	0.00000	5.57405	2.84447	2.32662	1.00518	0.00000	1.21338
County (Regional District) Millage	0.02016	0.12568	0.00000	0.12084	0.06166	0.05044	0.02179	0.00000	0.02630
Hospital Millage	0.03781	0.13235	0.00000	0.12857	0.12857	0.09264	0.03781	0.00000	0.03781
School Millage	0.54595	1.50000	1.20000	1.25000	0.99000	0.99000	0.68000	0.23000	0.45000
Special District Millage (Other)	0.01274	0.06142	0.04554	0.07458	0.03708	0.03593	0.01726	0.04212	0.01437
Assessment Ratio (%)	100%	100%	100%	100%	100%	100%	100%	100%	100%
Effective Rate per \$100 of assessed property - 2000 Rate	1.54665	7.61697	1.24554	7.14804	4.06178	3.49563	1.76204	0.27212	1.74186

Property Tax Rates per \$100 Assessed Personal Property (M&E, Inventory, other) - Municipal

	Residential	Utilities	Forestry	Major Ind.	Light Ind.	Business	Farm	Tree Farm	Recreation
City (Municipal) Millage									
County (Regional District) Millage									
Hospital									
School Millage									
Special District Millage (Other)									
Assessment Ratio (%)									
Effective Rate per \$100 of assessed property									

British Columbia does not have personal property taxes

State Property Tax Effective Rate per \$100

Real Property	N/A
Personal Property (machinery/equipment)	N/A

Subject to Personal Property Tax	Yes/No	Rate
Production Machinery & Equipment	No	N/A
Non Production Machinery & Equipment	No	N/A
Pollution Control	No	N/A
Inventory		
Raw Materials	No	N/A
Work in Progress	No	N/A
Finished Goods	No	N/A
Freeport Legislation		
Applicable to Warehousing	No	N/A
Applicable to Manufacturing	No	N/A
Goods Stored in Public Warehouse	No	N/A
Office Furniture-Fixture		
Computer Equipment	No	N/A
Workstations	No	N/A
Telephones	No	N/A
Furniture	No	N/A
Company Vehicles	No	N/A
Standard Software	No	N/A
Custom Software	No	N/A

Other

Local Occupation Tax (paid by Employer)	Rate	Basis
City Residents	N/A	N/A
Non-City Residents	N/A	N/A

Local Wage Tax (Paid by Employer)	Rate	Basis
City Residents	N/A	N/A
Non-City Residents	N/A	N/A

Gross Receipts Tax Rate by Type of Business

British Columbia does not tax Gross Receipts

N/A = Not Applicable

CRANBROOK CITY HALL INFORMATION

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