

## **Tax changes and deadlines for the 2011 tax year (January 2011)**

A number of tax changes will take effect on January 1, 2011, most of them affecting individual taxpayers. The more significant changes are listed below.

- RRSP deduction limit increases to \$22,450

The RRSP contribution limit for the 2011 tax year (for which the contribution deadline is February 29, 2012) will increase to \$22,450. In order to make the maximum contribution for 2011, it will be necessary to have had earned income for the 2010 taxation year of \$124,722.

- Tax-free savings account contribution limit

There is no change to the TFSA contribution limit for 2011, as the annual limit remains at \$5,000. Current-year TFSA contributions can be made at any time during the calendar year. Where a contribution is not made during the calendar year, the contribution room is carried over and the contribution may be made in any subsequent taxation year.

- Individual tax instalment deadlines for 2011

Millions of individual taxpayers pay income tax by quarterly instalments, which are usually due on the 15th day of each of March, June, September and December. As each of those dates in 2011 falls on a regular business day, the 15th of each of those months will be the actually payment deadline.

- Reduction in federal corporate tax rates

The general corporate tax rate is reduced, effective January 1, 2011, from 18.0% to 16.5%. There is no change in any other federal corporate tax rate for 2011.