

# MONEY

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# Live in B.C., pay less tax

## INCOMES: Holding on to more of your paycheque easiest in this province

If you make \$70,000 a year and want to keep your personal income tax to a minimum, you really should live in B.C.

B.C. residents whose salary and interest-income amounts to \$70,000 will pay a combined federal and provincial tax at \$14,862 — the lowest rate in Canada, PricewaterhouseCoopers says.

For the \$70,000-a-year crowd, Ontario has the second-lowest rate at \$15,942 and Alberta the third lowest at \$16,292, a PWC study released Thursday said.

If you're looking to minimize your income tax, heading north or west is a strategy that will work at most income levels, according to the business-advisory firm's report.

B.C., Alberta, Nunavut and the Northwest Territories tend to have among the lowest amounts of combined federal and provincial/territorial income taxes paid at a variety of income levels, PwC's report shows.

Alberta is where someone will pay the lowest amount of annual income tax, \$1,760, on salary and interest of \$20,000 in the current tax year.

Nunavut is close at \$1,774, followed by the Northwest Territories at \$1,871. Manitoba is the most expensive at \$2,724.

Moving up the pay scale to \$40,000, Nunavut is the cheapest spot with an income tax-requirement of \$5,602.

B.C. follows at \$6,019, then N.W.T. at \$6,129. Ontario is a close fourth at \$6,130.

Quebec is the most expensive tax jurisdiction at this income level — along with several others — at \$8,066.

At \$50,000, the bottom-four rankings remain the same, but the tax require-

ment goes up to \$8,434 in Nunavut, \$8,922 for B.C., \$9,121 for N.W.T. and \$9,177 in Ontario. Quebec is the most expensive in this category, as well, with combined income taxes of \$11,846.

For those making \$150,000, Nunavut remains the top spot for saving money on income taxes with a bill of \$42,858.

It's followed by Alberta at \$45,304, N.W.T. at \$46,404 and the Yukon at \$46,606.

B.C.'s tax bill at this level is \$46,642. Again, Quebecers pay the most at \$55,979.

For income of \$1 million — the highest amount measured in this PWC report — Alberta has the lowest income taxes at \$376,804.

Dale Meister, a Calgary tax expert for PWC, said Alberta has proven in recent years that a low-tax environment can do wonders for the economy.

He said neighbouring provinces, such as B.C., and the territories, to a lesser degree, have followed suit as a competitive measure.

"Alberta has led the way, and in order for the western provinces and the territories to attempt to remain competitive, it's been important for them to not let the [tax] gaps get too big," he said.

As for the federal-provincial general corporate-tax rate, B.C.'s is the second lowest among the provinces at 28.5 per cent, just above Alberta's 28 per cent.

Not all is cheap on Canada's left coast, however.

"Probate fees in B.C. for an estate valued at \$500,000 are the highest in Canada at \$6,658, compared to the lowest in Alberta at \$400," PWC said.

— Business reporter with files from Postmedia News