

A scenic landscape photograph showing a sandy beach in the foreground, a dense forest of green trees in the middle ground, and a blue sky with large, fluffy white clouds. The water of a lake or sea is visible on the right side. In the bottom left corner, there is a green rectangular box containing the word "Taxation" in white, italicized font.

Taxation

Taxation

The City of Powell River, The Powell River Regional District, the Province of BC, and the Government of Canada are all committed to reducing taxation.

- The City of Powell River and the Regional District work hard to keep tax increases at a minimum.
- The Province of BC has reduced personal income tax by more than 25% since 2001 to attract and retain skilled workers.
- The Province of BC has introduced significant tax cuts to encourage business innovation and revitalize the economy and has committed to having the lowest Small Business Tax in Canada by 2012.
- The Government of Canada has reduced the Goods and Services Tax (GST) to 5%. This tax is fully recoverable by business in Canada.



Corporate Income Tax

	Small Business	Manufacturing	Non-Manufacturing
Federal			
Rate	11%	15%	15%
Formula (Sales, Property & Payroll)	n/a	n/a	n/a
Accelerate Depreciated Permitted	Yes	Yes	Yes
Provincial			
Rate	2.50%	10%	10%
Formula (Sales, Property & Payroll)	Sales & Payroll	Sales & Payroll	Sales & Payroll
Accelerated Depreciated Permitted	No	No	No
Total Corporate Income Tax	13.50%	25%	25%

Personal Income Tax

	Federal	Provincial
Earned Income	15 - 29%	5.06 - 14.7%
Unearned Income (e.g. Dividends)	0 - 14.55%	0 - 3.92%
Capital Gains	7.5 - 14.5 %	2.08 - 7.35%



Sales / Use Tax

	Rate	Notes
Goods and Services Sales Tax	5%	GST on business inputs is fully recoverable
Provincial Sales Tax	7%	PST Retail Sales Tax
Local	0%	BC has no local sales tax
Total (Effective Combined Rate) Business	7%	Net of GST 0% for production machinery and equipment for eligible manufactures.

Sales Tax Rate by Utility

	Yes/No	Rate	Notes
Electric Power	Yes	12%	5% GST is fully recoverable
Natural Gas	Yes	12%	5% GST is fully recoverable
Fuel Oil	Yes	12%	5% GST is fully recoverable
Water	No	0%	-
Sewer	No	0%	-
Hazardous Waste Disposal	Yes	12%	5% GST is fully recoverable

Telephone Subject to Sales/Use Tax

	Yes/No	Rate	Notes
Local	Yes	12%	5% GST is fully recoverable
Long Distance	Yes	12%	5% GST is fully recoverable

Machinery and Equipment Subject to Sales/Use Tax

	Yes/No	Rate	Notes
Production	No	0%	-
Non-production	Yes	12%	5% GST is fully recoverable
Pollution Control	Yes	12%	5% GST is fully recoverable
Office Equipment & Fixtures	Yes	12%	5% GST is fully recoverable

Sales/Use Tax on Tangible Property

	Yes/No	Rate	Notes
Office Building			
Construction Materials	Yes	12%	5% GST is fully recoverable
Industrial Building Construction Materials	Yes	12%	5% GST is fully recoverable
Manufacturing Raw Materials	No	0%	-
Standard Software	Yes	12%	5% GST is fully recoverable
Custom Software	Yes	12%	5% GST is fully recoverable



Property Tax

Property Class	Municipal	Library	General Debt	RCMP	Regional District	Hospital	MFA	BCAA	School
Residential	4.47176	0.22791	0.32594	0.84688	0.43437	0.50567	0.0002	0.0619	2.8195
Utility	30.21633	1.53999	2.20241	5.72252	1.5203	1.76985	0.0007	0.5115	13.6
Major Industry	16.94029	0.86337	1.23474	3.20823	1.47686	1.71928	0.0007	0.5115	6
Light Industry	13.09474	0.66738	0.95445	2.47995	1.47686	1.71928	0.0007	0.1755	6
Business/Other	15.78736	0.80461	1.15071	2.98989	1.06421	1.23899	0.0005	0.1755	6
Managed Forest Land	39.61381	2.01896	2.88739	7.50224	1.30311	1.51701	0.0006	0.3616	2.4
Recreation/Non-Profit	15.74694	0.80255	1.14776	2.98224	0.43437	0.50567	0.0002	0.0619	3.4
Farm	4.01725	0.2048	0.2928	0.76084	0.43437	0.50567	0.0002	0.0619	6.9

Source: City of Powell River

