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2024 Combined Federal and Provincial Average Tax Rates for Prince Edward Island

(See separate schedule for Marginal Tax Rates)

Personal Taxable Income ^{Note 1}	Average Tax Rate ^{Note 2}	
	Under Age 65	Age 65 or over (includes OAS Clawback)
\$15,000	0%	0%
\$20,000	5%	0%
\$30,000	12%	4%
\$40,000 ³	16%	11%
\$50,000	19%	15%
\$60,000	21%	18%
\$70,000	23%	22%
\$80,000	25%	24%
\$90,000	26%	26%
\$100,000 ⁴	27%	28%
\$125,000	30%	32%
\$150,000	32%	36%
\$175,000	34%	37%
\$200,000	36%	38%
\$250,000	38%	40%
\$500,000	45%	46%
\$1,000,000	49%	49%

Note 1 - Total Income: No deductions or credits other than the basic personal amount, the age amount, and the clawback of the Old Age Security (OAS) are considered for this table. These rates apply to regular income, such as employment, pension, interest and business income, and the taxable portion of capital gains. Guaranteed Income Supplement is not included in income for these rate calculations. At age 65, it is assumed that the taxpayer receives OAS. Effects of various clawbacks other than the OAS and the age credit are excluded. Taxable Canadian dividends would be taxed at lower rates. Increasing income may result in reductions of EI benefits, Guaranteed Income Supplement, 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 may be changed at any time. See your tax advisor for the most current and complete information.

Note 2 - Average Rates vs. Marginal Rates: Average tax rates relate to approximation of income taxes in relation to total taxable income. The rates shown here include OAS as income and its repayment as part of the tax cost. When calculating the “extra” tax cost of a specific amount being added to 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 total income where all sources of income are considered equal. For example, the average tax rate may apply to assets being valued for divorce purposes that will be taxed when realized sometime in the future (e.g. in retirement and *included with* other income) but the marginal rate would be used for amounts to be taxed immediately *in addition to* existing income.

Note 3 - The age clawback starts at \$44,325 federally and \$33740 for PEI.

Note 4 - The Old Age Security clawback starts at income over \$90,997

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