



SPSD/M 

Release 15.0 Update

This guide is designed to provide SPSPD/M users with new information relating to the release of Version 15.0 algorithms and software.



Statistics
Canada

Statistique
Canada

Canada

WARNING

This software is complex. It is designed to be easy to use. However, the institutions and programs it models are themselves complex. **It is thus possible to make subtle mistakes that may result in significant estimation errors.** To make the best use of the SPSD/M, please read the available documentation. Then if you have any problems or you are unsure of the simulation approach or results, please phone us at (613) 951-3774.

Table of Contents

Overview	2
Relationship to Existing Documentation	2
Summary of Major Changes.....	2
Legislative Changes Modeled	3
Federal Changes	3
Provincial Changes.....	4
Legislative Changes not yet implemented	6
COMTAX	6
How to Run the SPSM guide	7
User's guide	7
Tool User's guide	8
Programmer's Guide.....	8
Commodity Tax User's Guide	8
Algorithm Guide	8
Overview of algorithm changes	8
Changes by function	10
Parameter Guide.....	14
Control Parameters	14
Modified Parameters	14
Adjustment Parameters.....	15
New Parameters.....	15
Tax/Transfer Parameters	16
Modified Parameters	16
New Parameters.....	16
Variable Guide	26
Modified Variables.....	26
New Variables	27
Growth and Validation Guide	31
Weight file updates.....	31
Growth updates.....	31
Online Documentation	31
Database Creation Guide	32
Survey of Household Spending Data Imputations.....	32

Overview

This document outlines the modifications that the SPSPD/M has undergone subsequent to the version 14.2 release. This current release is called version 15.0 and users will note that the chapter headings in this Addendum correspond to guides in the manuals.

This version of the SPSPD/M is only fully compatible with Windows XP/2000. Microsoft Vista users will be able to use the SPSPD/M once they download a file from the Microsoft website which will allow them to view the help system. See <http://go.microsoft.com/fwlink/?LinkID=82148>. Users of older operating systems should contact Statistics Canada at (613) 951-3774 to find out if an unsupported version can be used with their operating system.

Users experiencing difficulties updating their black-box or glass-box applications to version 15.0 should contact Statistics Canada at (613) 951-3774.

If you are a new SPSPD/M user, you should look at the *Introduction and Overview* manual first, since much of the material here will be incomprehensible without some familiarity with SPSPD/M concepts.

RELATIONSHIP TO EXISTING DOCUMENTATION

This Addendum is a guide to the changes in SPSPD/M software between 14.2 and 15.0. This Addendum is intended to be used in conjunction with the other SPSPD/M Guides included as part of the 15.0 release. The information in this Addendum supersedes the information in the documentation released with version 14.2.

It is worth noting that the examples in the *Introduction and Overview* will still function. However the screen images and the exact results may vary.

SUMMARY OF MAJOR CHANGES

DATABASE and GROWTH

The database is now based on the 2003 Survey of Labour and Income Dynamics (SLID).

The most recent economic growth projections from Finance Canada are incorporated into the parameter files.

TAX/TRANSFER ALGORITHMS AND PARAMETERS

Changes resulting from the 2007 budgets have been incorporated.

The Federal Refundable Working Income Tax Benefit (WITB) has been implemented beginning in the 2007 taxation year

The Federal Child Tax Credit has been implemented beginning in the 2007 taxation

year.

The Newfoundland and Labrador Low-Income Seniors' Benefit has been revised to reflect the 2007 provincial budget announcement of higher family net income turn downs for senior couples, where both are aged 65 and over.

The New Brunswick personal income tax rates were increased starting in 2007.

As of the 2007 taxation year, the Quebec tax credit claimed by parents for an adult child who is a student is replaced by a transfer to parents of the unused portion of the amount of recognized essential needs for the child.

As of the 2007 taxation year, the Quebec refundable tax credit for child care expenses will be not be limited by earned income.

As of the 2007 taxation year, students in Quebec can transfer their unused tuition tax credit to their parents.

The amount of recognized essential needs and the complementary amount forming the basic amount used to calculate the basic tax credit in Quebec is replaced, as of taxation year 2008, by a single amount

The Ontario Child Benefit has been implemented.

The Manitoba Child Benefit, beginning in January 2008, has been implemented but no parameters have been set.

GST on residential construction is now available in the model.

Dummy commodity taxes have been created in order to allow the modelling of new commodity taxes.

LEGISLATIVE CHANGES MODELED

The changes in tax transfer legislation that have been incorporated into the SPSPD/M 15.0 are detailed in this section.

Federal Changes

The Federal Refundable Working Income Tax Benefit (WITB) has been implemented beginning in the 2007 taxation year. The WITB will provide a refundable tax credit equal to 20 per cent of each dollar of earned income in excess of \$3,000 to a maximum credit of \$500 for single individuals without dependants (single individuals) and \$1,000 for families (couples and single parents). To target assistance to those with low income, the credit will be reduced by 15 per cent of net family income in excess of \$9,500 for single individuals and \$14,500 for families. The net income concept used for the phase out is based on head/spouse net income less UCCB payments. The benefit amount and thresholds are indexed for future years. Students (as defined for the purpose of the education tax credit), with no dependent

children, who are enrolled as full-time students for more than three months in the taxation year will not be eligible for the WITB.

The Federal Child Tax Credit has been implemented beginning in the 2007 taxation year. This is a non-refundable credit of \$2,000 granted to a parent for each child under the age of 18 at the end of the year. This amount is indexed for future years. The value of the credit is multiplied by the non-refundable tax credit rate and is transferable between parents.

In 2007, the credits for spouses and dependants of single individuals have been increased to the amount of basic personal amount.

Provincial Changes

Newfoundland

The Newfoundland and Labrador Low-Income Seniors' Benefit has been revised to reflect the 2007 provincial budget announcement of higher family net income turn downs for senior couples, where both are aged 65 and over.

The Low Income Tax Reduction (LITR) thresholds was adjusted from \$12,000 to \$13,000 for individuals and from \$19,000 to \$21,000 for families, effective January 1, 2007.

The Personal Income Tax surtax was eliminated effective July 1, 2007. For the 2007 taxation year, the surtax rate will be 4.5%.

The personal income tax rates were changed starting in 2007.

Prince Edward Island

The personal income tax brackets and personal, spousal and age amounts were changed starting in 2007.

The high income surtax amount was changed starting in 2007.

New Brunswick

The New Brunswick Seniors' Benefit has been increased from \$100 to \$200 for 2007.

The New Brunswick dividend tax credit rate for other than eligible dividends has been increased to 5.3% for 2007.

The New Brunswick personal income tax rates were increased starting in 2007. The first bracket rate as increased from 9.68% to 10.12%, the second bracket rate increased from 14.82% to 15.48%, the third bracket rate increased from 16.52% to 16.8% and the tax rate for the top bracket increased from 17.84% to 17.95%. The corresponding non-refundable tax credit rate and the charitable donations tax credit

rates were also adjusted.

Quebec

The personal income tax rates and brackets and the personal amount were changed, starting in 2008.

The amount of recognized essential needs and the complementary amount forming the basic amount used to calculate the basic tax credit in Quebec is replaced, as of taxation year 2008, by a single amount

The tax credit for retirement income was increased from \$1,000 to \$2,000.

The tax credit for children under 18 engaged in vocational training or post-secondary studies used to be reduced by 100% of the child's net income. In 2007, it is reduced by 80% of the child's net income.

As of the 2007 taxation year, the tax credit claimed by parents for an adult child who is a student is replaced by a transfer to parents of the unused portion of the amount of recognized essential needs for the child.

As of the 2007 taxation year, the refundable tax credit for child care expenses will be granted regardless of earned income.

As of the 2007 taxation year, students in Quebec can transfer their unused tuition tax credit to their parents.

Ontario

The Ontario Child Benefit has been implemented. For 2007, low income working families may be eligible for a one-time benefit of \$250 per child. Beginning in July 2008, benefit amounts increase to \$600 per child. Benefit amounts per child increase each July, to a benefit per child of \$1,100 per child by July 2011. As a result of the introduction of the Ontario Child Benefit, the Ontario Child Care Supplement for Working Families begins to be phased out.

Manitoba

The Manitoba Child Benefit, beginning in January 2008, has been implemented to provide low-income working families a maximum tax-free benefit of \$420 per child. This program was modeled, however the details of the program were not available at the time it was implemented in the SPSM code, therefore the program is turned off for the default parameter files. Users can set the flag and parameter values if they wish to do so as the details may be available shortly after the release of this version of SPSPD/M.

The personal income tax brackets and rates were revised starting in 2008

Alberta

Educational amount increased in 2007

The Alberta Family Employment Tax Credit was increased.

British Columbia

The personal income tax brackets and rates were revised for 2007 and 2008.

The phase-out rates for the BC Tax Reduction were revised for 2007 and 2008.

Starting in 2007, people who pay the alternative minimum tax can also get the provincial foreign tax credit.

Legislative Changes not yet implemented

Effective January 1, 2008, the Manitoba Family Tax Reduction will be included as a non-refundable tax credit and renamed the Manitoba Family Tax Benefit. The details of the design of this credit were not available in time for the algorithm to be included in this release. Since the impact of the new credit is expected to be small and the impetus to change this program was only to reduce a step in the tax calculation, the original implementation of the tax reduction scheme is maintained for this release for taxation years 2008 and beyond. This change does not affect eligibility, or reduce benefits for any taxpayers. The Manitoba Family Tax Benefit will be implemented as a replacement for the Family Tax Reduction once details have been finalized.

The Ontario government is proposing to enhance the Ontario Property and Sales Tax Credits for seniors by increasing the senior couples' income threshold for these credits beginning in 2007. The new threshold would be determined when the federal government finalizes OAS and GIS amounts for 2007.

The Manitoba government is proposing to increase the quarterly maximum amounts for the 55 Plus program in October 2007. The new quarterly maximums were not available in time for this release.

COMTAX

Federal

The new GST rebate program for the tour and convention industry. This rebate was put in place to off-set the elimination of the GST visitor's rebate program.

Prince Edward Island

The provincial tax on gasoline and diesel fuel is capped at 8.7 cents / litre.

Nova Scotia

The increase in tobacco taxes by 1 cent per cigarette, or the equivalent of \$2 per carton. Also, the increase of 1 cent per unit on pre-proportioned tobacco sticks, and the tax rate on fine cut tobacco by 1 cent per gram.

The increase in the fuel tax rate applied to fuels used in aircrafts from 0.9 cents per litre to 2.5 cents per litre.

Quebec

The refund of the QST paid in respect of the purchase or long-term lease of an eligible hybrid vehicle which increased from \$1000 to \$2000.

Ontario

Extension of the RST exemption for Destination Marketing Fees for one year.

The RST exemption on new ENERGY STAR qualified household products purchased, rented or leased for one year.

Saskatchewan

The existing PST exemption on ENERGY STAR qualified residential furnaces, boilers and heat pumps extended indefinitely.

Alberta

The increase in tobacco taxes on cigarettes from \$32.00 to \$37.00 per carton of 200 cigarettes and \$4 to \$4.63 for a pack of 25 cigarettes. The increase in the tax rate on loose tobacco to 18.5 cents per gram from 16 cents per gram. The increase on the maximum tax on cigars increased from \$5 to \$5.80.

British Columbia

The extension of PST relief for hybrid electric passenger vehicles. Also, the eligibility for a 100 percent reduction of sales tax up to a maximum of \$2,000 if purchased or leased before April 1, 2011.

The exemption on ENERGY STAR Gas fired forced-air furnaces if purchased before January 1, 2008.

The exemption on ENERGY STAR Boilers, air-source heat pumps and ground source heat pumps if purchased before April 1, 2009.

How to Run the SPSM guide

Users are now able to open a simulation in Visual SPSM which was created using a previous version.

User's guide

There were no changes in this release.

Tool User's guide

There were no changes in this release.

Programmer's Guide

There were no changes in this release.

Please **call** the SPSM hotline at (613) 951-3774 if you have any questions about using SPSM in glass-box mode.

Commodity Tax User's Guide

Two new dummy commodity taxes were added so that SPSM users can create new commodity taxes. The federal parameter is called CTFNEW and its associated variables are ctfnew and ctfnew_. The provincial parameter is called CTPNEW and its associated variables are called ctpnew and ctpnew_.

The GST on housing from the residential construction sector (ctfgsths) can now be modelled. It allocates the total dollars of GST on housing, CTFGSTHOUSE, to households by multiplying it by the index variable fxgstidx. The resulting amount, ctfgsths, is not included in total GST or total taxes and must be included explicitly to table specifications.

Algorithm Guide

The following section titled "Overview of algorithm changes" provides a list of the major changes organized by level of government and tax/transfer program. The following sections present the changes organized by the C++ language functions which were required to implement the programs. (A change in tax/transfer legislation may require changes to multiple functions.)

OVERVIEW OF ALGORITHM CHANGES

Database adjustment

When EDUCADJFLAG is turned on, an adjustment is made to the months of education (ideducfm and ideducpm) for students in post-secondary school aged 16 to 18. As few of these people file income taxes, their months of education would otherwise be under-reported. The months of education for these students is drawn from the EDUCMPQ and EDUCMROC distributions when EDUCADJFLAG is turned on.

Federal

The Federal Refundable Working Income Tax Benefit (WITB) has been implemented

beginning in the 2007 taxation year. The WITB will provide a refundable tax credit equal to 20 per cent of each dollar of earned income in excess of \$3,000 to a maximum credit of \$500 for single individuals without dependants (single individuals) and \$1,000 for families (couples and single parents). To target assistance to those with low income, the credit will be reduced by 15 per cent of net family income in excess of \$9,500 for single individuals and \$14,500 for families. The net income concept used for the phase out is based on head/spouse net income less UCCB payments. The benefit amount and thresholds are indexed for future years. Students (as defined for the purpose of the education tax credit), with no dependent children, who are enrolled as full-time students for more than three months in the taxation year will not be eligible for the WITB.

The non-refundable Child Tax Credit of \$2,000 per child under 18 has been implemented.

The test to determine the transferability of credits between parents has been changed to now be based on basic federal taxes owing instead of net income.

Total income can now be negative as per the tax form.

Federal GST on residential construction can now be modeled.

A new federal dummy commodity tax was added so that SPSM users can create new commodity taxes.

Provincial

The test to determine the transferability of credits between parents has been changed to now be based on basic provincial taxes owing instead of net income.

The Ontario Child Benefit has been implemented.

The Manitoba Child Benefit has been implemented.

The Newfoundland and Labrador Low-Income Seniors' Benefit has been revised to reflect the 2007 provincial budget announcement of higher family net income turn downs for senior couples, where both are aged 65 and over.

The earned income test in the calculation of the Quebec refundable child care expense credit is now controlled by a flag to disable the test for the years 2007 onwards.

The amount of recognized essential needs and the complementary amount forming the basic amount used to calculate the basic tax credit in Quebec is replaced, as of taxation year 2008, by a single amount

The tax credit for children under 18 engaged in vocational training or post-secondary studies used to be reduced by 100% of the child's net income. In 2007, it is reduced

by 80% of the child's net income.

As of the 2007 taxation year, the tax credit claimed by parents for an adult child who is a student is replaced by a transfer to parents of the unused portion of the amount of recognized essential needs for the child.

A new provincial dummy commodity tax was added so that SPSM users can create new commodity taxes.

CHANGES BY FUNCTION

adj Perform SPSP database adjustment

When EDUCADJFLAG is turned on, an adjustment is made to the months of education (ideducfm and ideducpm) for students in post-secondary school aged 16 to 18. As few of these people file income taxes, their months of education would otherwise be under-reported. The months of education for these students is drawn from the EDUCMPQ and EDUCMROC distributions when EDUCADJFLAG is turned on.

ctmod Compute commodity taxes for individuals and households

Two new dummy commodity taxes were added so that SPSM users can create new commodity taxes. The federal parameter is called CTFNEW and its associated variables are ctfnew and ctfnew_. The provincial parameter is called CTPNEW and its associated variables are called ctpnew and ctpnew_.

The GST on housing from the residential construction sector (ctfgsths) can now be modelled. It allocates the total dollars of GST on housing, CTFGSTHOUSE, to households by multiplying it by the index variable fxgstidx. The resulting amount, ctfgsths, is not included in total GST or total taxes and must be included explicitly to table specifications.

A bug in the capping of tobacco expenditures has been fixed.

gist Compute Provincial GIS top-ups for elderly

The Newfoundland and Labrador Low-Income Seniors' Benefit has been revised to reflect the changes to the program as announced in the 2007 provincial budget. Senior couples where both are aged 65 and over now have a higher income turndown (NFSBCTD) and reduction rate (NFSBCRR) than that of single seniors and seniors married to non-seniors (NFSBTD and NFSBRR). The new algorithm now makes use of separate parameters for the basic amount (NFSBCBAS and NFSBBAS), income turndown and reduction rate for senior couples and single seniors. Another major change to this program was the correction of the income concept used in the turndown. In previous versions, the turndown was based on the previous years' imgisinc (the income used in the calculation of GIS and SPA benefit reduction) for individuals and head plus spouse imgisinc for all married couples.

This has been corrected to now properly calculate the benefit reduction using individual previous years' adjusted net income (net income less UCCB payments) for single seniors and seniors married to non-seniors. In the case of senior couples, the couple's benefit reduction is now based on the previous years' family (head plus spouse) adjusted net income and the resulting calculated benefit is equally split between the couple.

memo1 Compute memo items for reporting

The variable impfp has been modified to include the value of the Ontario Child Benefit (imocb) and the Manitoba Child Benefit (immcb).

txalta Compute provincial taxes for Alberta

The test to determine the transferability of credits between parents has been changed to now be based on basic provincial taxes owing instead of net income.

txbc Compute provincial taxes for British Columbia

The test to determine the transferability of credits between parents has been changed to now be based on basic provincial taxes owing instead of net income.

When CAMTFTCFLG is on, people who pay the alternative minimum tax (imamtfg) are not eligible to claim the provincial foreign tax credit (idprvftc).

txcalc Calculate federal income tax

The federal refundable Working Income Tax Benefit (WITB) has been added. It is activated by the flag WITBFLAG. The WITB will provide a refundable tax credit equal to WITBPIR of each dollar of earned income in excess of WITBMINE to a maximum credit of WITBSNG for single individuals (at least 19 years of age) without dependants and WITBFAM for families (couples and single parents). To target assistance to those with low income, the credit will be reduced by WITBRR of net family income in excess of WITBSPO for single individuals and WITBFPO for families, where net family income represents head/spouse net income less UCCB.

The federal non-refundable Child Tax Credit has been added to the block of credits that are transferable between parents.

The test to determine the transferability of credits between parents has been changed to now be based on basic federal taxes owing instead of net income.

txhstr Compute family-related deductions or credits

The calculation of the federal non-refundable Child Tax Credit has been implemented. The number of eligible children under the age of 18 is determined and the value of the credit, after adjusting by the non-refundable tax credit rate, is initially granted to the parent with the highest net income.

txinet Compute net income

A bug in the code was corrected to ensure that the UCCB payments were no longer being double counted in total income (imitot and imictot).

The condition to ensure that total income before the addition of net federal supplements (imitot) be not be negative has been removed. This concept of total income is permitted to be negative for the years modeled. As a result, the total income concept as per tax forms (imictot) may also be negative, which is acceptable.

txman Compute provincial taxes for Manitoba

The Manitoba Child Benefit, as announced in the 2007 Manitoba budget has been implemented. Beginning in January 2008, low-income working families, with incomes less than \$15,000, may be eligible for an annual tax-free payment of \$420 per child. Families with incomes up to \$20,000 may receive a partial benefit.

The test to determine the transferability of credits between parents has been changed to now be based on basic provincial taxes owing instead of net income.

When MAMTFTCFLG is on, people who pay the alternative minimum tax (imamtfg) are not eligible to claim the provincial foreign tax credit (idprvftc).

txnb Compute provincial taxes for New Brunswick

The test to determine the transferability of credits between parents has been changed to now be based on basic provincial taxes owing instead of net income.

To ensure that the income test for the N.B. Heating Rebate is performing correctly, negative total income amounts are converted to 0.

txnfld Compute provincial taxes for Newfoundland

The test to determine the transferability of credits between parents has been changed to now be based on basic provincial taxes owing instead of net income.

txns Compute provincial taxes for Nova Scotia

The test to determine the transferability of credits between parents has been changed to now be based on basic provincial taxes owing instead of net income.

txont Compute provincial taxes for Ontario

The Ontario Child Benefit, as announced in the 2007 Ontario budget has been implemented. This program offers a one-time payment of \$250 per child under 18 for 2007, subject to an income test on family adjusted net income (net income less UCCB payments). The benefit will be reduced by 3.4% of income in excess of the

turndown of \$20,000 in 2007. Beginning in July 2008, the benefit will be paid monthly and the Ontario Child Care Supplement for Working Families (OCCS) begins to be phased out. The OCCS will be reduced by the value of the Ontario Child Benefits allocated to children up to the age of 6. The maximum Ontario Child Benefit for the July 2008 to June 2009 program year will be \$600 per child under 18, reduced at a rate of 8% for family adjusted net income in excess of \$20,000.

As part of the phasing out of the Ontario Child Care Supplement for Working Families, only children (up to the age of six) who are born before July 1st, 2011 will be eligible.

The test to determine the transferability of credits between parents has been changed to now be based on basic provincial taxes owing instead of net income.

txpei Compute provincial taxes for P.E.I.

The test to determine the transferability of credits between parents has been changed to now be based on basic provincial taxes owing instead of net income.

txqcalc Calculate income tax (Quebec)

A flag, QCMPOPT, now controls how the tax credits for contributions are applied. When it is set to 1, people can deduct the tax credits for contributions. When it is set to 2, they can deduct the maximum of the contributions and the complementary amount (QSTSCA). When it is set to three, the basic tax credit (QBXN) is increased and people can no longer claim the tax credits for contributions or the complementary amount.

Starting in 2007, parents in Quebec can no longer get a tax credit for their dependent children 18 or over in full-time school who attend post-secondary school. Instead, when QTPCFLG is on, children can transfer unused tax credits to their parents as a recognition of their parental contribution. Students who were in school for two terms can transfer up to QESSNEEDS of credits which they don't use. Students who were in school for one term can transfer a maximum of QESSNEEDS minus QPSXM.

As of the 2007 taxation year, the allowable claim amount for the Quebec refundable child care expense credit will no longer be restricted by the lowest earned income amount of the supporting parents, as announced in the 2007 budget. The flag QCCEITST controls the earned income test in the model. The allowable claim is still restricted by maximum allowable amounts and still subject to the family income test.

The Quebec refundable child care expense earned income calculation was revised to include the EI benefits and QPIP benefits for the years in which these items were included (2000 to 2006). As of 2007, the earned income test was eliminated.

Starting in 2007, students in Quebec can transfer their unused tuition tax credit to

their parents. When QTUITRFFLG is turned on, any unused tuition tax credit can be transferred from students to their parents. The amount transferred is called imqtuitt.

A variable, imqbtax, was added which represents Quebec income taxes prior to the application of the tax credits.

txqhstr **Compute family-related deductions or credits (Quebec)**

Starting in 2007, when calculating the credit for full-time students under the age of 18, the amount of the credit (QPSXM per term) is reduced by QPSXMINC times the student's net income.

The code was changed in order to be able to flag off the dependant credit for children 18 and over as, starting in 2007, this credit no longer exists but was replaced with a transfer of credit from the child to the parent.

The method of determining the number of terms a person goes to school has been modified.

txqinet **Compute net income (Quebec)**

The condition to ensure that total income (imqitot) for Quebec taxes will not be negative has been removed. This concept of total income is permitted to be negative for the years modeled as per Quebec tax forms.

Starting in 2007, the basic tax credit (QBXM) was increased and the tax credits for contributions were removed (see QCMPOPT). The tax credits for EI contributions (imquictc), CPP/QPP contributions (imqcpptc) and parental insurance premiums (imqqpiptc and imqqpsetc) are now only calculated in the years where they can be applied.

txsask **Compute provincial taxes for Saskatchewan**

The test to determine the transferability of credits between parents has been changed to now be based on basic provincial taxes owing instead of net income.

Parameter Guide

This section describes new parameters as well as conceptual changes that have occurred to SPSM parameters. Parameters which have been deleted, or whose interpretations have changed, are identified in this section by a preceding asterisk.

CONTROL PARAMETERS

There were no parameters added or deleted since the last release.

Modified Parameters

***XTCOLS: X-tab desired print width**

The default value for XTCOLS was set to 10000. This means that fewer words in the column titles of tables will be broken up. Classic SPSM users who wish to print their tables from the SPSM output may wish to set XTCOLS to a smaller value.

ADJUSTMENT PARAMETERS

There were no parameters modified or deleted since the last release.

New Parameters

EDUCADJFLAG: Adjust education months activation flag

This parameter, defined in the database adjustment parameter file, activates the adjustment of the months of education (ideducfm and ideducpm) for students in post-secondary school aged 16 to 18. As few of these people file income taxes, their months of education would otherwise be under-reported. The months of education for these students is drawn from the EDUCMPQ and EDUCMROC distributions when EDUCADJFLAG is turned on.

EDUCMPQ: Distribution of months in school by age for Quebec

When EDUCADJFLAG is turned on, an adjustment of the months of education (ideducfm and ideducpm) for students in post-secondary school aged 16 to 18 is made. This parameter represents the distribution of months in school for students in Quebec, by months and age.

EDUCMROC: Distribution of months in school by age for provinces other than Quebec

When EDUCADJFLAG is turned on, an adjustment of the months of education (ideducfm and ideducpm) for students in post-secondary school aged 16 to 18 is made. This parameter represents the distribution of months in school for students in provinces other than Quebec, by months and age.

GFGSTIDX: Adjustment Factor: GST on housing index [province][tenure]

When CTFLAG is set to 1, the database value of the GST on housing index (fxgstidx) is always multiplied by this value. It is a two dimensional parameter indexed by province and by household tenure. This parameter ensures that the value of fxgstidx is equal to 1,000,000,000 for each province and tenure type.

GFPURPRC: Adjustment Factor: Purchase price of home

When CTFLAG is set to 1, the database value of purchase price of a home (fxpurprc) is always multiplied by this value. This allows for the growth from a base year to represent current year values.

GFSELPRC: Adjustment Factor: Selling price of home

When CTFLAG is set to 1, the database value of selling price of a home (fxselprc) is always multiplied by this value. This allows for the growth from a base year to represent current year values.

TAX/TRANSFER PARAMETERS

There were no parameters deleted since the last release.

Modified Parameters

***NFSBBAS: NFLD Low Income Seniors' Benefit base amount**

This parameter was modified to reflect the base amount for single seniors and seniors married to non-seniors (under 65).

***NFSBRR: NFLD Low Income Seniors' Benefit reduction rate**

This parameter was modified to reflect the reduction rate for single seniors and seniors married to non-seniors (under 65).

***NFSBTD: NFLD Low Income Seniors' Benefit turndown**

This parameter was modified to reflect the individual previous years' net income turndown for single seniors and seniors married to non-seniors (under 65).

New Parameters

CAMTFTCFLG: B.C. amt flag for provincial foreign tax credit

When this flag is turned on, people in British Columbia who pay the alternative minimum tax (imamtf) are not eligible for the provincial foreign tax credit (idprvftc).

CTCAMTPC: Child Tax Credit amount per child

This parameter contains the amount for the Federal non-refundable Child Tax Credit that will be granted to a parent for each child under age 18. The credit was introduced in 2007. This amount is multiplied by the non-refundable tax credit rate (FNTCR) and saved in the variable imchdtxc. The value of the credit is transferable between parents.

CTFGSTHOUSE: Federal GST on housing

This parameter contains the Goods and Services Tax (GST) on residential construction which is to be allocated to households in thousands of dollars. It is multiplied by an index variable (fxgstidx) in order to allocate it to households (ctfgsths). The values are by province and by household tenure. See the [Commodity Tax User's Guide](#) for more details.

CTFNEW: New federal commodity tax [com]

This parameter represents the effective tax rates for a new federal commodity tax, by expenditure category. Please see the [Commodity Tax User's Guide](#) for a more complete exposition on effective tax rates.

CTPNEW: New provincial commodity tax [com x prov]

This parameter represents the effective tax rates for a new provincial commodity tax, by expenditure category and province. Please see the [Commodity Tax User's Guide](#)

for a more complete exposition on effective tax rates.

MAMTFTCFLG: Man. amt flag for provincial foreign tax credit

When this flag is turned on, people in Manitoba who pay the alternative minimum tax (imamtfg) are not eligible for the provincial foreign tax credit (idprvftc).

MCBAMT: Manitoba Child Benefit amount per child

This is the basic amount of the Manitoba Child Benefit allowed per child (under 18) per year.

MCBEIR: Manitoba Child Benefit earned income phase in rate

This is the earned income phase in rate for the Manitoba Child Benefit. Families with earned incomes equal to and greater than MCBMINE will have their benefits phased in at this rate for each dollar of income in excess of MCBMINE, up to the maximum benefit amount of MCBAMT per child.

MCBFLAG: Manitoba Child Benefit activation flag

This flag turns on or off the Manitoba Child Benefit. The Manitoba Child Benefit (immcb) was introduced in the 2007 Manitoba Budget and implemented in January 2008.

Under the Manitoba Child Benefit program, parents may be entitled to receive a benefit of MCBAMT for the each child under the age of 18. Benefits are initially phased in at a rate of MCBEIR for earned income in excess of MCBMINE up to the maximum benefit of MCBAMT per child. Benefits may be reduced based on family net income from the previous year. Partial benefits are paid to families with adjusted net incomes between MCBTD and MCBPO. Adjusted family net income is defined as net income less UCCB payments for the head plus the spouse if one exists.

The value of the Manitoba Child Benefit (immcb) is added to provincial family programs (impfp).

At the time of this version release, the details of the Manitoba Child Benefit design had not been finalized. This program implementation represents a best-guess attempt of the benefit and the design and/or parameter values may change in later versions once detailed rules have been determined.

MCBMINE: Manitoba Child Benefit minimum earnings threshold

This is the minimum earned income amount for eligibility for the Manitoba Child Benefit, which is a tax-free benefit to low-income working families in Manitoba, announced in the 2007 provincial budget and implemented in January 2008. Families with earned incomes equal to and greater than this amount will have their

benefits phased in at a rate of MCBEIR for each dollar of income in excess of this amount, up to the maximum benefit amount of MCBAMT per child.

MCBPO: Manitoba Child Benefit phase out

The level of family net income (head plus spouse where applicable) above which the Manitoba Child Benefit is completely phased out.

MCBTD: Manitoba Child Benefit turndown

The level of family net income (head plus spouse where applicable) above which the Manitoba Child Benefit begins to be paid at a lower rate. The Manitoba Child Benefit will be paid out at a reduced rate when family net income is between this amount and the phase out income threshold of MCBPO.

NFSBCBAS: NFLD Low Income Seniors' Benefit base amount for senior couples

This is the base value of the Newfoundland Low-Income Seniors' Benefit for senior couples (both at least 65 years old), which was introduced in 1999. All senior couples aged 65 and over, with previous years' family net income less than NFSBCTD are eligible to receive the maximum benefit NFSBCBAS. This benefit will be reduced by NFSBCRR for each dollar of the family net income over NFSBCTD. The calculated benefit is then split equally between the two seniors in the couple and saved in the variable imigist.

NFSBCRR: NFLD Low Income Seniors' Benefit reduction rate for senior couples

This is the reduction rate used in the calculation of the Newfoundland Low-Income Seniors' Benefit for senior couples (both at least 65 years old), which was introduced in 1999. This benefit will be reduced by NFSBCRR for each dollar of the previous years' family net income over NFSBCTD. The calculated benefit is then split equally between the two seniors in the couple and saved in the variable imigist.

NFSBCTD: NFLD Low Income Seniors' Benefit turndown for senior couples

The level of previous years' family net income above which the Newfoundland Low-Income Seniors' Benefit begins to be paid at a lower rate for senior couples (both at least 65 years old). If family net income exceeds this amount, the Newfoundland Low Income Seniors' Benefit will be reduced by the reduction rate NFSBCRR. The calculated benefit is then split equally between the two seniors in the couple and saved in the variable imigist.

OCBAMT: Ontario Child Benefit amount per child

This is the basic amount of the Ontario Child Benefit allowed per child (under 18) per year.

When FCBENCAL is activated, July to June programs are calculated on a calendar

year basis. This parameter is used to replicate the July to June program for the second half of the year, using the program design from July. The annual benefit will be equal to half the value calculated for the first half of the year and half the value calculated using the current year's parameters, representing the second half of the year. When the flag is turned off, the benefit programs are based on the program values set for July of that year and this parameter will be used since it represents the program design for July.

OCBAMTP: Ontario Child Benefit amount per child for 1st half of year

This is the basic amount of the Ontario Child Benefit allowed per child (under 18) per year.

When FCBENCAL is activated, July to June programs are calculated on a calendar year basis. This parameter is used to replicate the July to June program for the first half of the year, using the program design from the previous year. The annual benefit will be equal to half the value calculated for the first half of the year and half the value calculated using the current year's parameters, representing the second half of the year. When the FCBENCAL is turned off, this parameter is not used as it represents the value for the previous year.

OCBFLAG: Ontario Child Benefit activation flag

This flag turns on or off the Ontario Child Benefit. The Ontario Child Benefit (imocb) was introduced in the 2007 Ontario Budget and implemented in July 2007.

Under the Ontario Child Benefit program, parents may be entitled to receive a benefit of OCBAMT for the each child under the age of 18. The benefit is reduced at a rate of OCBRR for each dollar of adjusted family net income in excess of OCBTD. Adjusted family net income is defined as net income less UCCB payments for the head plus the spouse if one exists.

The Ontario Child Benefit for 2007 will be a one-time payment in July 2007. This 2007 one-time payment is subject to a minimum amount of OCBMIN. Beginning in July 2008, payments will be made monthly.

With the introduction of the monthly Ontario Child Benefit beginning in July 2008, the Ontario Child Care Supplement for Working Families begins to be phased out. The amount of the Ontario Child Benefit attributed to children under the age of 7 will be removed from the value of the calculated Ontario Child Care Supplement. The flag OCCSOCB activates this clawback. Also see OCCSPOYR for more information on the phase out of the Ontario Child Care Supplement.

The value of the Ontario Child Benefit (imocb) is added to provincial family programs (impfp).

OCBMIN: Ontario Child Benefit minimum benefit

This parameter contains the minimum amount for the 2007 one-time payment of the Ontario Child Benefit in July 2007. Calculated benefits between 0 and this minimum amount are granted the minimum. Beginning in July 2008, payments will be made monthly and are not subject to a minimum amount.

OCBPIP: Ontario Child Benefit flag for 1st half of year

This parameter contains the phase in flag for previous year's calculations of the Ontario Child Benefit when FCBENCAL is flagged on. When this parameter is activated, the previous years' calculation of the Ontario Child Benefit, representing the first half of the year, will be used in determining the benefit amount for the calendar year. Otherwise only the second half of the year's benefit calculations will be used to represent the value received in the calendar year.

OCBRR: Ontario Child Benefit reduction rate

This parameter contains the rate at which adjusted family net income (head plus spouse) reduces the Ontario Child Benefit when income exceeds the turndown of OCBTD.

When FCBENCAL is activated, July to June programs are calculated on a calendar year basis. This parameter is used to replicate the July to June program for the second half of the year, using the program design from July. The annual benefit will be equal to half the value calculated for the first half of the year and half the value calculated using the current year's parameters, representing the second half of the year. When the flag is turned off, the benefit programs are based on the program values set for July of that year and this parameter will be used since it represents the program design for July.

OCBRRP: Ontario Child Benefit reduction rate for 1st half of year

This parameter contains the rate at which adjusted family net income (head plus spouse) reduces the Ontario Child Benefit when income exceeds the turndown of OCBTDP.

When FCBENCAL is activated, July to June programs are calculated on a calendar year basis. This parameter is used to replicate the July to June program for the first half of the year, using the program design from the previous year. The annual benefit will be equal to half the value calculated for the first half of the year and half the value calculated using the current year's parameters, representing the second half of the year. When the FCBENCAL is turned off, this parameter is not used as it represents the value for the previous year.

OCBTD: Ontario Child Benefit family income turndown

The level of family net income (head plus spouse) above which the Ontario Child Benefit begins to be paid at a lower rate. The Ontario Child Benefit will be reduced by a proportion (OCBRR) for each dollar of adjusted family net income in excess of

this amount.

When FCBENCAL is activated, July to June programs are calculated on a calendar year basis. This parameter is used to replicate the July to June program for the second half of the year, using the program design from July. The annual benefit will be equal to half the value calculated for the first half of the year and half the value calculated using the current year's parameters, representing the second half of the year. When the flag is turned off, the benefit programs are based on the program values set for July of that year and this parameter will be used since it represents the program design for July.

OCBTDP: Ontario Child Benefit family income turndown for 1st half of year

The level of family net income (head plus spouse) above which the Ontario Child Benefit begins to be paid at a lower rate. The Ontario Child Benefit will be reduced by a proportion (OCBRRP) for each dollar of adjusted family net income in excess of this amount.

When FCBENCAL is activated, July to June programs are calculated on a calendar year basis. This parameter is used to replicate the July to June program for the first half of the year, using the program design from the previous year. The annual benefit will be equal to half the value calculated for the first half of the year and half the value calculated using the current year's parameters, representing the second half of the year. When the FCBENCAL is turned off, this parameter is not used as it represents the value for the previous year.

OCCSOCB: Ont. Child Care Supplement reduced by Ontario Child Benefit flag

This flag denotes when to reduce the value of the Ontario Child Care Supplement for Working Families by the amount of the Ontario Child Benefit attributed to children eligible for the Ontario Child Care Supplement for Working Families. The variable imocbyng contains the calculated amount of Ontario Child Benefits to be clawed back from the Ontario Child Care Supplement.

See OCBFLAG for more details.

OCCSPOYR: Ont. Child Care Working Income Supplement phase out year

This parameter represents the phase out year of the Ontario Child Care Supplement for Working Families. Children born after the first of July 2011 are not eligible to receive the Ontario Child Care Supplement. Any child whose age is equal to the difference between TARGETYEAR and this parameter, and whose month of birth is greater than July, which is determined by comparing a random number to OCBPOPYPYR, would not be eligible for this supplement.

This program will be gradually phased out with the introduction of the Ontario Child Benefit. See OCBFLAG for more details.

OCCSPOPYPYR: Ont. Child Care Supplement phase out year proportion born pre July

This parameter represents the proportion of the phase out year of the Ontario Child Care Supplement for Working Families where children would still be eligible for the allowance. Children born after the first of July 2011 are not eligible to receive the supplement. Any child whose age is equal to the difference between TARGETYEAR and OCCSPOYR, and whose month of birth is greater than June (if a random number is greater than this parameter), would not be eligible for the Ontario Child Care Supplement.

This program will be gradually phased out with the introduction of the Ontario Child Benefit. See OCBFLAG for more details.

QCC EEIFLG: Quebec refundable CCE EI benefits in earned income flag

When this flag is activated, the earned income test used in the determination of the allowable child care expenses in Quebec includes Employment Insurance Benefits (imiuib) and Quebec Parental Insurance Plan benefits (imqipcbn) in the definition of earned income.

QCC EEITST: Quebec refundable CCE earned income test flag

When this flag is activated, the earned income test is used in the determination of the allowable child care expenses in Quebec. When activated, the allowable amount of child care expenses cannot exceed the amount of the lowest earned income applicable to the supporting parents of the child. As of the taxation year 2007, the earned income test was eliminated in the determination of allowable child care expenses in Quebec, as announced in the 2007 budget. The family income test is still applicable in the calculation of the child care expense refundable tax credit regardless of this flag.

QCMPOPT: Quebec Complementary Credit option

This parameter controls how the tax credits for contributions are applied.

When it is set to 1, people can deduct the following tax credits for contributions: the health services fund contribution tax credit (imqhsftc), the CPP/QPP contribution tax credit (imqcpptc), the EI contribution tax credit (imquictc), the Quebec parental insurance contribution premium for paid workers (imqqpiptc) and for the self-employed (imqqpsetc).

When it is set to 2, people can claim the maximum of the complementary amount, QSTSCA, and the credits for contributions.

When it is set to 3, the basic amount (QBXN) is increased and people are no longer eligible for the complementary amount (QSTSCA) or the credits for contributions.

QESSNEEDS: Quebec essential needs for transfer of parental contributions

When QTPCFLG is set to 1, parents in Quebec can no longer get a tax credit for their dependent children 18 or over in full-time school who attend post-secondary school. Instead, children can transfer unused tax credits to their parents. Students who were in school for two terms can transfer up to QESSNEEDS of credits which

they don't use. Students who were in school for one term can transfer a maximum of QESSNEEDS minus QPSXM.

QLAXOLDDEP: Quebec living alone amount if all dependents 18 or over

When QTPCFLG is turned on, people can no longer claim their adult children who are in school full-time as dependents. Instead, children can transfer a portion of their tax credits to their parents. For single parents who do not live with other adults, the credit for persons living alone will be increased by QLAXOLDDEP if they have no children under the age of 18 but do have children who have transferred a portion of their tax credit to them as a recognized parental contribution to their education (imqtpcn).

QPSXMINC: Quebec income ratio for post-secondary exemption/amount

When calculating the credit for full-time students under the age of 18, the amount of the credit (QPSXM per term) is reduced by this proportion of the student's net income.

QTPCFLG: Quebec transfer of recognized parental contribution to education activation flag

When QTPCFLG is set to 1, parents in Quebec can no longer get a tax credit for their dependent children 18 or over in full-time school who attend post-secondary school. Instead, children can transfer unused tax credits to their parents. Students who were in school for two terms can transfer up to QESSNEEDS of credits which they don't use. Students who were in school for one term can transfer a maximum of QESSNEEDS minus QPSXM. The amount that a child transfers to their parent is saved as imqctpc.

QTUITRFFLG: Quebec flag to allow transfer of tuition tax credit to parents

When this flag is turned on, students in Quebec transfer all of their unused tuition tax credit to their parents.

Note that when this flag is turned on, all of the student's extra tuition tax credit gets transferred to the parents in the SPSM. In real life, some students may choose not to transfer this credit to their parents but may, instead, choose to keep the credit for themselves and apply it in some future year.

WITBFAM: Working Income Tax Benefit amount for couples/single parents

This is the maximum Working Income Tax Benefit (WITB) refundable credit amount for couples and single parents who are at least 19 years of age and who are not full-time students for more than 3 months in the taxation year.

Individuals in a couple or single parent family will have their benefit calculated as WITBPIR of each dollar of earned income in excess of WITBMINE to this maximum. The credit may be reduced by WITBRR for each dollar of their net income in excess of WITBFPO.

WITBFLAG: Working Income Tax Benefit activation flag

This flag turns on and off the Federal Refundable Working Income Tax Benefit (WITB) program. The program was implemented in 2007.

The WITB will provide a refundable tax credit equal to WITBPIR of each dollar of earned income in excess of WITBMINE to a maximum credit of WITBSNG for single individuals (at least 19 years of age) without dependants and WITBFAM for families (couples and single parents).

To target assistance to those with low income, the credit will be reduced by WITBRR of net family income in excess of WITBSPO for single individuals and WITBFPO for families, where net family income represents head/spouse net income less UCCB.

Students (as defined for the purpose of the education tax credit), with no dependent children, who are enrolled as full-time students for more than three months in the taxation year will not be eligible for the WITB. If a couple without dependents consists of only one person eligible for the WITB, based on student and/or age eligibility rules, then the income threshold used in the turndown will be that for individuals and the income tests would only include that of the eligible individual.

The amount of the benefit is saved in the variable imwitb. It is also added to other federal refundable credits (imfortc).

This flag also turns on the Working Income Tax Benefit Supplement for Persons with Disabilities. Individuals eligible for the Disability Tax Credit who are also eligible for the WITB, will be granted an amount equal to WITBSPIR for each dollar of individual earned income in excess of WITBSMINE to a maximum credit of WITBSAMT. This amount will then be reduced by WITBSRR of net family income in excess of WITBSPO for single individuals and WITBSFPO for single parents and couples, where both are eligible for WITB. The amount of the disability supplement is saved in the variable imwitbs and is also added to other federal refundable credits (imfortc).

WITBFPO: WITB family net income phase-out threshold

This parameter contains the income threshold at which the maximum Working Income Tax Benefit (WITB) refundable credit begins to be reduced for couples or single parent families. Their maximum credit amount WITBFAM will be reduced by WITBRR for each dollar of their family net income in excess of this amount.

WITBMINE: Working Income Tax Benefit minimum earnings threshold

This parameter contains the minimum earnings threshold required for eligibility for the federal refundable Working Income Tax Benefit (WITB).

WITBPIR: Working Income Tax Benefit Phase in Rate

This parameter contains the phase in rate for the federal refundable Working Income Tax Benefit (WITB) for individuals/families with earnings in excess of WITBMINE, until the respective maximum benefit is attained. Single individuals are eligible for a

maximum benefit amount of WITBSNG while individuals in a couple or single parent family are eligible for a maximum benefit amount of WITBFAM.

WITBRR: Working Income Tax Benefit reduction rate

This parameter contains the reduction rate for the federal refundable Working Income Tax Benefit (WITB). Single individuals will see their maximum benefit amount of WITBSNG reduced by this rate for every dollar of net income in excess of WITBSPO. Families and single parents will see their maximum benefit amount of WITBFAM reduced by this rate for every dollar of family net income in excess of WITBFPO.

WITBSAMT: WITB Supplement for Disabilities Amount

This is the maximum Working Income Tax Benefit (WITB) Supplement for Disabilities refundable credit amount for non-student individuals who are at least 19 years of age, and who are eligible for the disability tax credit in the taxation year.

Individuals will have their benefit calculated as WITBSPIR of each dollar of earned income in excess of WITBSMINE to this maximum. The credit may be reduced by WITBSRR for each dollar of their net income in excess of the turndown threshold. For single individuals, or those in a couple where the other spouse is ineligible for WITB based on the spouse's student status, the turndown threshold is WITBSSPO. For couples where both are WITB eligible and for single parent families, the threshold is WITBSFPO.

WITBSFPO: WITB Supplement for Disabilities Family Net Income Phase-out Threshold

This parameter contains the income threshold at which the maximum Working Income Tax Benefit (WITB) Supplement for Disabilities refundable credit begins to be reduced for couples and single parent families. Their maximum credit amount WITBSAMT will be reduced by WITBSRR for each dollar of their family net income in excess of this amount.

WITBSMINE: WITB Supplement for Disabilities Minimum Earnings Threshold

This parameter contains the minimum earnings threshold required for eligibility for the federal refundable Working Income Tax Benefit (WITB) Supplement for Disabilities.

WITBSNG: Working Income Tax Benefit amount for singles

This is the maximum Working Income Tax Benefit (WITB) refundable credit amount for single individuals who are at least 19 years of age without dependents, who are not full-time students for more than 3 months in the taxation year.

Individuals will have their benefit calculated as WITBPIR of each dollar of earned income in excess of WITBMINE to this maximum. The credit may be reduced by WITBRR for each dollar of their net income in excess of WITBSPO.

WITBSPIR: WITB Supplement for Disabilities Phase-in Rate

This parameter contains the phase in rate for the federal refundable Working Income Tax Benefit (WITB) Supplement for Disabilities for individuals who are eligible for the disability tax credit with earnings in excess of WITBSMINE, until the respective maximum benefit of WITBSAMT is attained.

WITBSPO: WITB Single Net Income Phase-out Threshold

This parameter contains the income threshold at which the maximum Working Income Tax Benefit (WITB) refundable credit begins to be reduced for single individuals who are at least 19 years of age and have no dependents. Their maximum credit amount WITBSNG will be reduced by WITBRR for each dollar of their net income in excess of this amount.

WITBSRR: WITB Supplement for Disabilities Reduction Rate

This parameter contains the reduction rate for the federal refundable Working Income Tax Benefit (WITB) Supplement for Disabilities. Single individuals will see their maximum benefit amount of WITBSAMT reduced by this rate for every dollar of net income in excess of WITBSPO. Families and single parents will see their maximum benefit amount of WITBSAMT reduced by this rate for every dollar of family net income in excess of WITBSFPO.

WITBSPO: WITB Supplement for Disabilities Single Net Income Phase-out Threshold

This parameter contains the income threshold at which the maximum Working Income Tax Benefit (WITB) Supplement for Disabilities refundable credit begins to be reduced for single individuals who are at least 19 years of age and have no dependents. Their maximum credit amount WITBSAMT will be reduced by WITBSRR for each dollar of their net income in excess of this amount.

Variable Guide

This section includes descriptions of all new variables introduced in version 15.0. Variables which have been deleted, or whose interpretations have changed, are also described and are identified in this section by a preceding asterisk. There have been no variables deleted since the last release.

MODIFIED VARIABLES***ideducfm: Eligible full-time months of education**

When EDUCADJFLAG is turned on, the full-time months of education for post-secondary students aged 16 to 18 are derived using following distributions: EDUCMPQ and EDUCMROC.

***ideducpm: Eligible part-time months of education**

When EDUCADJFLAG is turned on, the part-time months of education for post-

secondary students aged 16 to 18 are derived using following distributions:
EDUCMPQ and EDUCMROC.

***iddues: Union and Professional Dues**

For individuals who are not high income filers, the SLID unrounded value is now used for iddues. For high income filers, the value is imputed from the Greenbook.

***idiemp: Wages & salaries**

There was a change in the growth of wages and salaries (idiemp) in version 15.0. It is used to be grown by total labour income (including supplementary labour income). It is now only grown by wages and salaries.

***imfortc: Federal other refundable credits**

The variable imfortc has been modified to include the value of the federal refundable Working Income Tax Benefit (imwitb) and Working Income Tax Benefit Supplement for Persons with Disabilities (imwitbs).

***impfp: Provincial family programs**

The variable impfp has been modified to include the value of the Ontario Child Benefit (imocb) and the Manitoba Child Benefit (immcb).

***ucbtyp: Claim type**

The method used to convert EI recipients by claim type has been slightly changed.

NEW VARIABLES

fxgstidx: Index for distributing GST on housing

Index used to distribute GST on housing to households (ctfgsths). See the [Commodity Tax User's Guide](#) for more details.

Source:

Survey of Household Spending, Statistics Canada. Direct copy during Expenditure Vector Stochastic Match.

fxpurprc: Purchase price of home

Purchase price of home bought in the year.

Source:

Survey of Household Spending, Statistics Canada. Direct copy during Expenditure Vector Stochastic Match.

fxselprc: Selling price of home

Selling price of home sold in the year.

Source:

Survey of Household Spending, Statistics Canada. Direct copy during Expenditure Vector Stochastic Match.

iddisab: Disability status (age 16+)

Disability status for people aged 16 or more. This is a summary flag in response to several questions on SLID. The questions ask whether the person has any difficulty doing any of the activities of daily living and whether the person has a physical condition or mental condition or health problem that reduces the amount or kind of activity he or she can do in any of a few different types of situations. If any of the answers were "yes", then this variable is set to "Disabled".

Source:
SLID

ctfgsths: Federal GST on housing

This analysis variable contains the household's share of the Goods and Services Tax (GST) on housing. The GST on housing is not included in the basic commodity tax model as it is not a household sector tax but comes from the construction sector. The total GST on housing (CTFGSTHOUSE) is distributed across all households using an index variable (fxgstidx). As this is a simple allocation, the resulting amount is not included in the SPSM accounts and is not included in ctfgst, cttxfc, imttxfc, imftax or immtax. See the [Commodity Tax User's Guide](#) for more details.

ctfnew: New federal commodity tax

This variable contains the value of any new federal commodity tax that a user may have implemented using CTFNEW.

ctfnew_: New federal commodity tax [array]

This array of analysis variables contains all the value of the new federal commodity tax associated with the consumption pattern in each of the 48 household expenditure categories.

ctpnew: New provincial commodity tax

This variable contains the value of any new provincial commodity tax that a user may have implemented using CTPNEW.

ctpnew_: New provincial commodity tax [array]

This array of analysis variables contains all the value of the new provincial commodity tax associated with the consumption pattern in each of the 48 household expenditure categories.

imchdtxc: Non-refundable Child Tax Credit

This variable contains the amount for the Federal non-refundable Child Tax Credit (CTCAMTPC) that will be granted to a parent for each child under age 18 after the application of the non-refundable tax credit rate (FNTCR). The credit was introduced in 2007. The value of the credit is transferable between parents.

imocb: Ontario Child Benefit

This variable represents the value of the Ontario Child Benefit which is a tax-free payment to help low-income families with the cost of raising children under age 18. The program was implemented in July 2007.

When the program is activated, families receive a benefit of OCBAMT for each eligible child. The benefit is reduced at a rate of OCBRR when net family income exceeds OCBTD. See the activation flag OCBFLAG for more details.

The calculated benefit is included in provincial family programs (impfp).

imocbyng: Ontario Child Benefit amount for Child Care Supplement dependents

This variable represents the value of the Ontario Child Benefit that is attributed to children under the age of 7. With the introduction of the Ontario Child Benefit, the Ontario Child Care Supplement for Working Families began to be phased out. When OCCSOCB is flagged on, the calculated amount of the Ontario Child Care Supplement is reduced by this amount.

For more details on the Ontario Child Benefit, see the activation flag OCBFLAG.

For more details on the phase out of the Ontario Child Care Supplement, refer to OCCSOCB and OCCSPOYR.

immcb: Manitoba Child Benefit

This variable represents the value of the Manitoba Child Benefit which is a tax-free payment to help low-income families with the cost of raising children under age 18. The program was implemented in January 2008.

When the program is activated, families may receive a maximum benefit of MCBAMT for each eligible child. Benefits are initially phased in at a rate of MCBEIR for earned income in excess of MCBMINE up to the maximum benefit of MCBAMT. Benefits may be reduced based on family net income. Partial benefits are paid to families with net incomes between MCBTD and MCBPO. See the activation flag MCBFLAG for more details.

The calculated benefit is included in provincial family programs (impfp).

imqbtax: Quebec tax before credits

This is an intermediate value of Quebec tax which is calculated by looking up Quebec Taxable Income (imqitax) in the Quebec tax table QTX.

imqctpc: Quebec child's transfer of recognized parental contribution

The amount of credit that a child transfers to their parents as a recognized parental contribution to their education. When QTPCFLG is set to 1, parents in Quebec can no longer get a tax credit for their dependent children 18 or over in full-time school who attend post-secondary school. Instead, children can transfer unused tax credits to their parents. Students who were in school for two terms can transfer up to QESSNEEDS of credits which they don't use. Students who were in school for one term can transfer a maximum of QESSNEEDS minus QPSXM.

imqtcctc: Quebec tax credits transferred from child

The total amount of tax credits transferred from children.

imqtpcn: Quebec number of children who transferred parental contribution

The number of children who transferred credits to their parents as a recognized parental contribution to their education. Parents can claim these children as dependents in the calculation of other programs. See QTPCFLG.

imqtuitt: Quebec amount of tuition transferred to parents

This variable contains the amount of tuition tax credit which was transferred to a student's parent. It gets included in imqtct. It is only available when QTUITRFFLG is turned on.

imwitb: Working Income Tax Benefit

This variable contains the value of the Federal Refundable Working Income Tax Benefit (WITB) program. The program was implemented in 2007.

The WITB will provide a refundable tax credit equal to WITBPIR of each dollar of earned income in excess of WITBMINE to a maximum credit of WITBSNG for single individuals (at least 19 years of age) without dependants and WITBFAM for families (couples and single parents).

To target assistance to those with low income, the credit will be reduced by WITBRR of net family income in excess of WITBSPO for single individuals and WITBFPO for families, where net family income represents head/spouse net income less UCCB.

Students (as defined for the purpose of the education tax credit), with no dependent children, who are enrolled as full-time students for more than three months in the taxation year will not be eligible for the WITB.

Note that this amount does not include imwitbs, the Federal Refundable Working Income Tax Benefit for persons with disabilities.

This amount is added to other federal refundable credits (imfortc).

imwitbs: Working Income Tax Benefit Supplement for Disabilities

This variable contains the value of the Federal Refundable Working Income Tax Benefit (WITB) Supplement for Persons with Disabilities. The program was

implemented in 2007.

The WITB Supplement will provide a refundable tax credit equal to WITBSPIR of each dollar of earned income in excess of WITBSMINE to a maximum credit of WITBSAMT for single individuals (at least 19 years of age) who have less than 3 months of full time studies and who are eligible for the disability tax credit in the taxation year.

To target assistance to those with low income, the supplement will be reduced by WITBSRR of net family income in excess of WITBSSPO for single individuals and WITBSFPO for families, where net family income represents head/spouse net income less UCCB.

This amount is not included in imwitb, the Federal Refundable Working Income Tax Benefit.

This amount is added to other federal refundable credits (imfortc).

Growth and Validation Guide

WEIGHT FILE UPDATES

Updated demographic estimates were used the weight files from 2004-2012.

Weight files for earlier years have been updated with corrected control totals.

GROWTH UPDATES

The database growth parameters were recalculated. From 1991 to 2006, growth parameters were adjusted to reflect the growth rates in the System of National Accounts. These adjustments were done provincially. There was a change in the growth of wages and salaries (idiemp) in version 15.0. It is used to be grown by total labour income (including supplementary labour income). It is now only grown by wages and salaries. Canada and Quebec Pension Plan benefits were adjusted using data from Human Resources Development Canada and reflect growth rates by age of recipient.

For 2007 and later, the growth rates of the income and expenditure items reflect forecasted personal income while the growth rates of the expenditure items reflect forecasted GDP growth. These growth rates are national and come from an average of private sector forecasts.

Model parameter projection, which occurs when no official estimate is available, was done using Average Industrial Wage and the Consumer Price Index.

Online Documentation

The SPSPD/M online documentation provides quick access to the full Documentation Guides. These online guides will only work with Windows 2000/XP. Vista users will be able to use the SPSPD/M once they download a file from the Microsoft website which will allow them to view the help system. See <http://go.microsoft.com/fwlink/?LinkID=82148>. The documentation can be found in the SPSM menu under Start, Programs.

This product is similar to the standard windows help system and a full text search is supported. If you are having any problems using the online documentation please contact us at (613) 951-3774.

Database Creation Guide

This version of the SPSPD/M is based on 2003 data.

In the past, the SPSPD reweighted SLID using the T4 file in order to recalibrate the wage distribution. With the release of 2003 SLID data, this step was no longer necessary as SLID now includes a T4 margin in the derivation of its weights.

SURVEY OF HOUSEHOLD SPENDING DATA IMPUTATIONS

There have been two enhancements to the process for which we impute expenditure variables from the Survey of Household Spending (SHS) onto the Survey of Labour and Income Dynamics (SLID). First, we found that household income on SHS was not being matched as well as it could with household income on SLID. This was mainly a problem at the higher income level. Instead we performed the match on two datasets, one with income over \$100,000 and one with income under \$100,000. This way when income is split into quintiles for the match, the households over \$100,000 are being split 5 times not just once or twice which was previously the case. Lastly, we improved the generalized linear regression model which chooses the most explanatory variables of household spending. We feel that the model now chooses explanatory variables which better explain household spending.