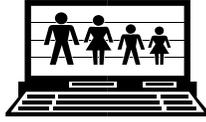




*SPSD/M*



# Release 16.0 Update

This guide is designed to provide SPSS/M users with new information relating to the release of Version 16.0 algorithms and software.



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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.

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## Overview

This document outlines the modifications that the SPSD/M has undergone subsequent to the version 15.0 release. This current release is called version 16.0 and users will note that the chapter headings in this Addendum correspond to guides in the manuals.

This version of the SPSD/M is only fully compatible with Windows XP/2000. Microsoft Vista users will be able to use the SPSD/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 16.0 should contact Statistics Canada at (613) 951-3774.

If you are a new SPSD/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 SPSD/M concepts.

### **RELATIONSHIP TO EXISTING DOCUMENTATION**

This Addendum is a guide to the changes in SPSD/M software between 15.0 and 16.0. This Addendum is intended to be used in conjunction with the other SPSD/M Guides included as part of the 16.0 release. The information in this Addendum supersedes the information in the documentation released with version 15.0.

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 2004 Survey of Labour and Income Dynamics (SLID).

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

Parameter and weight files are now provided to 2012.

A new variable for total self-employment income, *idise*, replaces *idisefm* (self-employment farming) and *idisenf* (self-employment non-farming).

#### **TAX/TRANSFER ALGORITHMS AND PARAMETERS**

Changes resulting from the 2008 budgets have been incorporated.

Parameter files updated through 2007 Tax forms.

The option to model the federal and provincial caregiver tax credits has been implemented.

The options to model the Quebec Refundable Natural Caregivers Tax Credit and the Quebec Housing Parent Tax Credit have been added.

The Quebec Adapted Work Premium has been implemented.

The Quebec and British Columbia specific Working Income Tax Benefit programs have been implemented.

The Manitoba Family Tax Benefit, a new non-refundable tax credit to replace the Family Tax Reduction program, has been finalized.

The Manitoba Child Benefit has been adjusted and finalized to match the regulations that are now available for this program.

The Ontario Senior Homeowners Property Tax Grant and the Ontario Textbook and Technology Grant have been added.

The British Columbia Climate Action Dividend and Climate Action Tax Credit have been implemented.

The Quebec and British Columbia carbon tax has been implemented.

## **LEGISLATIVE CHANGES MODELED**

The changes in tax transfer legislation that have been incorporated into the SPSD/M 16.0 are detailed in this section.

### **Federal Changes**

The increase in the employment income exemption for GIS benefit assessment has been implemented.

### **Provincial Changes**

#### **Newfoundland**

The Progressive Family Growth Benefit has been implemented. This program provides a \$1000 lump sum payment to residents of the province who give birth to a baby or have a child placed with them for adoption on or after January 1, 2008. The Parental Support Benefit program was also implemented, which provides a monthly benefit of \$100 paid for the 12 months after the child's birth on or after January 1, 2008. Eligible individuals must apply for the benefits.

The Newfoundland and Labrador Home Heating Rebate program was expanded to include electricity costs as well as heating fuel. The program retains the income test with higher thresholds for homeowners under the expanded program. The minimum rebate is still applied to eligible households with incomes below the phase out threshold.

## **Quebec**

The Adapted Work Premium for persons/families with disabilities has been implemented. This program is an extension of the original Work Premium with increased benefits for persons or families with where an individual is entitled to the non-refundable tax credit for severe and prolonged impairment.

## **Ontario**

The Ontario Senior Homeowners' Property Tax Grant has been implemented, which will provide a maximum grant of \$250 in 2009 (increasing to \$500 in 2010) for seniors with property taxes of \$500 or more depending on their income and marital status.

The Ontario Textbook and Technology Grant has been added, which provides a grant to full-time students in colleges and universities in Ontario, starting in the fall of 2008, with grant amounts increasing for 2009 and 2010.

## **Manitoba**

The Manitoba government finalized the design of the Manitoba Child Benefit. Changes were made to the model code to match the regulations for this program.

The Manitoba Family Tax Benefit has been implemented. It is a new non-refundable tax credit that replaces the Manitoba Family Tax Reduction program.

## **British Columbia**

The B.C. government announced the one-time Climate Action Dividend payment which grants \$100 per-person to help them make changes to reduce their use of fossil fuels. B.C. residents 18 and over will receive a cheque for \$100 in June 2008, dividends for children who are under 18 will be paid to their primary caregiver.

The B.C. government announced the introduction of the refundable Low Income Climate Action Tax Credit. The maximum annual tax credit is calculated as \$100 per adult and \$30 per child with single parent families receiving the adult amount for the first child in the family. The maximum annual credit is reduced by 2% of net family income (recipient's and spouse's net income from the previous year) in excess of a threshold of \$30,000 for single individuals and \$35,000 for families. The credit is to be paid quarterly starting in July 2008.

## **COMTAX**

### **Federal**

Additional 1-percentage-point reduction in the GST from 6% to 5%

Increase in Excise Duties on tobacco to offset the impact of the GST rate reduction

Expansion of exemptions for basic health and education services to include training designed

to assist individuals cope with the effects of a disorder or disability

GST/HST exemption from nursing services rendered to an individual

Expansion of exemptions on diagnostic services that are prescribed by regulation

Zero-rate all supplies of drugs prescribed by health professionals to final consumers

Additions to the list of zero-rated medical and assistive devices

GST/HST exemption on services of health professionals

Manufactured tobacco will be subject to a duty of \$2.8925 per 50 grams or fraction thereof

Rate of duty on tobacco sticks will increase to \$0.085 per stick (\$17 per carton of 200)

### **NFLD**

Elimination of the Provincial Retail Sales Tax (RST) 15% on insurance premiums

### **Prince Edward Island**

Increase cost of carton of cigarettes by \$5.00

Propane is excluded from the definition of gasoline so will be exempt from the gasoline tax

### **Nova Scotia**

Decrease in PST rate on private purchase of motor vehicles and other designated tangible personal property from 14% to 13%

### **Quebec**

Introduction of a carbon tax

In parallel with the GST/HST reduction on health services Quebec will be introducing the same changes to the QST

### **Ontario**

RST Exemption for Bicycles and Related Safety Equipment, and further extension mentioned in 2008 budget

Extension of the Retail Sales Tax (RST) exemption for qualifying new ENERGY STAR® household appliances and light bulbs

Permanent RST exemption for qualifying non-prescription nicotine replacement therapies

Extension of the RST exemption for destination marketing fees

## **Saskatchewan**

PST no longer applies to the purchase of eligible light vehicles

## **British Columbia**

Introduction of a carbon tax

Tax relief for fuel efficient conventional vehicles qualifying for the federal ecoAuto rebate

Exemption for residential refrigerators, clothes washers and freezers that are listed as being “ENERGY STAR Qualified”

PST Exemption on gas-fired water heaters for residential use

Exemption from PST on the purchase of insulation designed to prevent heat loss from hot water tanks, hot and cold water pipes, and ductwork

Exemption from PST on bio-diesel fuel

PST exemption on diesel emission control devices

Expand Fuel Tax refund for persons with disabilities to include individuals with mental disabilities

## **How to Run the SPSM guide**

### **VISUAL AND CLASSIC SPSM**

A new parameter CREATEPARMFILES forces the creation of the database adjustment parameter file (\*.apr), the variant tax/transfer parameter file (\*.mpr), and a new base tax/transfer parameter file (\*\_B.mpr). These files will be created even if the parameters were not modified. Previously, the database adjustment parameter file and the variant tax/transfer parameter file were only created when a parameter's value was changed. In Visual SPSM, this parameter will not be available to edit as it will always be turned on.

The Source notes for parameters are now bilingual.

### **VISUAL SPSM**

When you open a new simulation, you can choose whether you want include base and variant scenarios in your simulation. The parameter tabs will only be displayed if the scenario is chosen. To change your selection, go to File, Simulation Management.

The display colours of the parameters can now be changed in the Tools / Options box.

A new set of parameter edits have been added to Visual SPSM.

See the Visual SPSM release notes for a full description of the changes.

## User's guide

French accents in the parameter descriptions should now always display correctly.

A new parameter CREATEPARMFILES forces the creation of the database adjustment parameter file (\*.apr), the variant tax/transfer parameter file (\*.mpr), and a new base tax/transfer parameter file (\*\_B.mpr). These files will be created even if the parameters were not modified. Previously, the database adjustment parameter file and the variant tax/transfer parameter file were only created when a parameter's value was changed. In Visual SPSM, this parameter will not be available to edit as it will always be turned on.

Parameter values are now rounded before being stored in memory. This ensures that simulations run multiple times will always give the same answers.

New parameters are now used to describe the content of the simulations. The English description of the parameter files are now kept in CPRDESCE, APRDESCE, MPRDESCE while the French descriptions can be found in CPRDESCF, APRDESCF and MPRDESCF.

Option parameters will now default to "1" when a supplied value is invalid.

A new variable for total self-employment income, idise, replaces idisefm (self-employment farming) and idisenf (self-employment non-farming).

The Parameter Difference Report (activated by PRDFFLAG) now reports changes to lookup parameters correctly.

Certain error messages have been changed.

## Tool User's guide

The tools were all made fully bilingual.

## 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

Provincial carbon taxes (CTPCAR) are now included in the model.

## 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**

A new variable for total self-employment income, *idise*, replaces *idisefm* (self-employment farming) and *idisenf* (self-employment non-farming).

### **Federal**

The provincial specific Working Income Tax Benefit programs for British Columbia and Quebec have been added to the federal tax calculations.

### **Provincial**

The British Columbia one-time Climate Action Dividend, which grants a \$100 dividend to all residents of British Columbia, has been implemented.

The British Columbia Low Income Climate Action Tax Credit, which provides a refundable tax credit to low income B.C. families and individuals to help pay for their carbon taxes as part of the government's commitment that carbon taxes be revenue neutral, has been implemented.

The Newfoundland Progressive Family Growth Benefit and Parental Support Benefit have been implemented. These programs provide a lump sum benefit for newborns plus a monthly benefit for the next 12 months following the birth.

Changes to the treatment of elected split-pension amounts were made in the Federal and Quebec income tax programs to match tax forms.

The modeled Manitoba Child Benefit program was revised given the finalization of the program design and regulations.

The Manitoba Family Tax Benefit, a new non-refundable tax credit, has been added as a replacement of the previous family tax reduction program.

The Newfoundland and Labrador Home Heating Rebate, an expansion on their previous programs related to home heating fuel expenses, has been implemented to include electricity costs.

The Ontario Senior Homeowners' Property Tax Grant has been implemented, which provides a grant to low- and moderate-income seniors with property tax expenses, beginning in 2009.

The Ontario Textbook and Technology Grant, for full-time college and university students in Ontario, was implemented.

A minimum benefit amount for the Ontario Child Care Working Income Supplement has been added, providing eligible recipients a minimum benefit of \$10 if their calculated benefit was determined to be between \$1 and \$10.

The Quebec Adapted Work Premium for disabled has been added, an extension of the original Work Premium with increased benefits for individuals/families with disabilities.

## **CHANGES BY FUNCTION**

### **gis    Compute GIS/SPA for elderly**

The employment income exemption has been added to the income test used to determine eligibility for GIS and SPA benefits.

A new variable for total self-employment income, *idise*, replaces *idisefm* (self-employment farming) and *idisenf* (self-employment non-farming).

### **memo1        Compute memo items for reporting**

The value of the B.C. Climate Action Dividend (*imclimdv*), the Ontario Senior Homeowners Property Tax Grant (*imoshtg*) and the Ontario Textbook and Technology Grant (*imotxtgr*) have been added to provincial other government income (*impoth*).

The value of the Newfoundland Progressive Family Growth Benefit (*imnpfgr*) and the Newfoundland Parental Support Benefit (*imnpsb*) have been added to provincial family programs (*impfp*).

A new variable for total self-employment income, *idise*, replaces *idisefm* (self-employment farming) and *idisenf* (self-employment non-farming).

### **txalta        Compute provincial taxes for Alberta**

A third option was added to the provincial Caregiver Tax Credit to model the credit amount.

The caregiver tax credit was removed from the block of transferable non-refundable tax credits.

A new variable for total self-employment income, *idise*, replaces *idisefm* (self-employment farming) and *idisenf* (self-employment non-farming).

### **txbc        Compute provincial taxes for British Columbia**

The British Columbia one-time Climate Action Dividend has been added. In 2008, all B.C. residents will be entitled to this one-time payment of \$100 (*CCLIMDIV*) to help them make changes to reduce their use of fossil fuels. Children under 18 will also be entitled to this amount which will be allocated to a parent.

The British Columbia Low Income Climate Action has been implemented. This is a refundable tax credit starting in July 2008. It is activated by setting the flag *CCATCFLG* to

1. This credit consists of an amount per adult (CCATCA) and amount per dependent under 19 years of age (CCATCC). For single parent families, the first dependent may claim the amount for adults. The value of the credit is then income tested using net income less any UCCB payments from the prior year for the head and spouse, if applicable. The credit is reduced by the reduction rate (CCATCR) for family income in excess of the threshold for couples and single parents (CCATCFL). The income threshold is lower for single individuals (CCATCSL). This is a July to June program that may also be calculated for the calendar year if GSTCYFLG is also activated.

A third option was added to the provincial Caregiver Tax Credit to model the credit amount.

The caregiver tax credit was removed from the block of transferable non-refundable tax credits.

A new variable for total self-employment income, *idise*, replaces *idisefm* (self-employment farming) and *idisenf* (self-employment non-farming).

### **txcalc      Calculate federal income tax**

The British Columbia refundable Working Income Tax Benefit (WITB) has been added. It is activated by the flag WITBFLAG. The B.C. WITB will provide a refundable tax credit equal to CWITBPIR of each dollar of earned income in excess of CWITBMINE to a maximum credit of CWITBSNG for single individuals (at least 19 years of age) without dependants and CWITBFAM for families (couples and single parents). To target assistance to those with low income, the credit will be reduced by CWITBRR of net family income in excess of CWITBSPO for single individuals and CWITBFPO for families, where net family income represents head/spouse net income less UCCB. The amount of the benefit is saved in the variable *imwitb*. It is also added to other federal refundable credits (*imfortc*).

The British Columbia Working Income Tax Benefit (WITB) Supplement for Disabilities refundable credit for non-student B.C. individuals who are at least 19 years of age, and who are eligible for the disability tax credit in the taxation year has also been added. Individuals will have their benefit calculated as CWITBSPIR of each dollar of earned income in excess of CWITBSMINE to the maximum credit CWITBSAMT. The credit may be reduced by CWITBSRR 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 CWITBSSPO. For couples where both are WITB eligible and for single parent families, the threshold is CWITBSFPO. The amount of the disability supplement is saved in the variable *imwitbs* and is also added to other federal refundable credits (*imfortc*).

The Quebec refundable Working Income Tax Benefit (WITB) has been added. It is activated by the flag WITBFLAG. The Quebec WITB will provide a refundable tax credit equal to QWITBPIRS of each dollar of earned income in excess of QWITBMINES to a maximum credit of QWITBSNG for single individuals (at least 19 years of age) either with or without dependants. The Quebec WITB will provide a refundable tax credit equal to QWITBPIRF of each dollar of earned income in excess of QWITBMINEF to a maximum credit of

QWITBFAM for families (couples with or without dependents). To target assistance to those with low income, the credit will be reduced by QWITBRR of net family income in excess of QWITBSPO for single individuals and QWITBFPO for families, where net family income represents head/spouse net income less UCCB. The amount of the benefit is saved in the variable imwitb. It is also added to other federal refundable credits (imfortc).

The Quebec Working Income Tax Benefit (WITB) Supplement for Disabilities refundable credit for non-student Quebec individuals who are at least 19 years of age, and who are eligible for the disability tax credit in the taxation year has also been added. Individuals will have their benefit calculated as QWITBSPIR of each dollar of earned income in excess of QWITBSMINE to the maximum credit QWITBSAMT. The credit may be reduced by QWITBSRR 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 QWITBSSPO. For couples where both are WITB eligible, the threshold is QWITBSFPO. The amount of the disability supplement is saved in the variable imwitbs and is also added to other federal refundable credits (imfortc).

The separate reduction rate of the WITB supplement for disabilities for eligible couples has been added.

A third option was added to the federal Caregiver Tax Credit to model the credit amount.

The caregiver tax credit was removed from the block of transferable non-refundable tax credits.

A new variable for total self-employment income, idise, replaces idisefm (self-employment farming) and idisenf (self-employment non-farming).

#### **txccea      Compute child care expense allowance**

A new variable for total self-employment income, idise, replaces idisefm (self-employment farming) and idisenf (self-employment non-farming).

#### **txctc      Compute child tax credit**

A new variable for total self-employment income, idise, replaces idisefm (self-employment farming) and idisenf (self-employment non-farming).

#### **txinet      Compute net income**

Changes were made to the treatment of split pension amounts to match the tax forms. Total income now includes total pension income received by an individual plus any elected split-pension amount transferred from a spouse. Deductions from total income now include the elected split-pension amount that was transferred to a spouse.

A new variable for total self-employment income, idise, replaces idisefm (self-employment farming) and idisenf (self-employment non-farming).

## **txitax**      **Compute taxable income and individual credits**

Changes were made to the calculation of the caregiver tax credit to accommodate the new option to model the credit.

## **txman**      **Compute provincial taxes for Manitoba**

The Manitoba Child Benefit has been revised to match the recently released program regulation. At the time of previous version release, the details of the Manitoba Child Benefit design had not been finalized. The earned income component for eligibility for the benefit has been removed and reduction rates based on number of children have been added.

The Manitoba Family Tax Benefit has been modeled as a replacement for the family tax reduction program. This new non-refundable tax credit provides credits for self, spouse or equivalent to spouse, age for self and spouse, disability for self and spouse, infirm older dependents and dependent children aged 18 and younger. It is reduced by a percentage of net income and then multiplied by the non-refundable tax credit rate. The result is then included with the other non-refundable tax credits.

The Manitoba family tax reduction program and the surtax were adjusted to include children aged 18 and under as dependents. As well, in both programs, adjustments were made to the number of dependents for those who claimed an equivalent to spouse amounts.

A third option was added to the provincial Caregiver Tax Credit to model the credit amount.

The caregiver tax credit was removed from the block of transferable non-refundable tax credits.

## **txnb**      **Compute provincial taxes for New Brunswick**

The N.B. Home Energy Assistance Program has been revised. A new flag was added to determine the type of energy usage that is eligible for the rebate.

A third option was added to the provincial Caregiver Tax Credit to model the credit amount.

The caregiver tax credit was removed from the block of transferable non-refundable tax credits.

A new variable for total self-employment income, idise, replaces idisefm (self-employment farming) and idisenf (self-employment non-farming).

## **txnfld**      **Compute provincial taxes for Newfoundland**

The Progressive Family Growth Benefit has been implemented. This program provides a lump sum payment to residents of the province who give birth to a baby or have a child placed with them for adoption on or after January 1, 2008. The Parental Support Benefit program was also implemented, which provides a monthly benefit paid for the 12 months after the child's birth on or after January 1, 2008. Eligible individuals must apply for the

benefits.

The Newfoundland and Labrador Home Heating Rebate has been added. This program is an extension of the Home Heating Fuel Rebate, which only offered rebates for fuel oil, now broadened to include electricity expenses. Under the revised program, homeowners may apply for a rebate for their heating expenses, which is income tested. The maximum rebate is granted to homeowners with incomes below the turndown, a partial rebate is granted for incomes between the turndown and phase out income thresholds with a minimum rebate of \$100 granted to eligible households with incomes below the phase out threshold.

The income test for the Senior's Benefit for couples with only one senior (65+) is now based on family (head and spouse) net income.

A third option was added to the provincial Caregiver Tax Credit to model the credit amount.

The caregiver tax credit was removed from the block of transferable non-refundable tax credits.

#### **txns**            **Compute provincial taxes for Nova Scotia**

A third option was added to the provincial Caregiver Tax Credit to model the credit amount.

The caregiver tax credit was removed from the block of transferable non-refundable tax credits.

#### **txont**            **Compute provincial taxes for Ontario**

The Ontario Senior Homeowners' Property Tax Grant has been implemented. Announced in the Ontario 2008 Budget, this program provides some property tax relief to low and moderate income senior homeowners. In 2009, senior homeowners would be able to obtain a grant of up to \$250 provided they have \$500 or more in property taxes. Single seniors would receive the maximum grant with income up to \$35,000 a year, and a partial grant for incomes between \$35,000 and \$50,000. Eligible senior couples would receive the maximum grant with incomes up to \$45,000 a year and a partial grant for incomes between \$45,000 and \$60,000. The maximum grant increases to \$500 for 2010 and subsequent years.

A minimum payment amount for the Ontario Child Care Working Income Supplement has been added. Calculated benefit amounts between \$1 and \$10 would be assigned the minimum benefit amount of \$10.

The Ontario tax reduction program was adjusted to include children aged 18 and under as dependents.

The 2008 Ontario Budget announcement for a new Textbook and Technology Grant for students has been implemented. Full-time college and university students will receive \$150 this fall, \$225 in the fall of 2009 and \$300 in the fall of 2010 to help make college and university education more affordable.

A third option was added to the provincial Caregiver Tax Credit to model the credit amount.

The caregiver tax credit was removed from the block of transferable non-refundable tax credits.

A new variable for total self-employment income, *idise*, replaces *idisefm* (self-employment farming) and *idisenf* (self-employment non-farming).

### **txpei**      **Compute provincial taxes for P.E.I.**

A third option was added to the provincial Caregiver Tax Credit to model the credit amount.

The caregiver tax credit was removed from the block of transferable non-refundable tax credits.

### **txqcalc**      **Calculate income tax (Quebec)**

The Quebec Adapted Work Premium for disabled, a refundable tax credit that provides increased benefits to eligible individuals/families with disabled persons, has been added. The Adapted Work Premium, announced in the 2008 Quebec Budget, is designed to recognize that persons with disabilities must overcome significant obstacles when they enter the labour market. Beginning in 2008, families with at least one member eligible for the non-refundable tax credit for severe or prolonged impairment, will receive the adapted work premium, instead of the original work premium, in the form of a non-taxable refundable tax credit.

The parameters associated with the Adapted Work Premium (QAWPCR, QAWPEIPI, QAWPMAX and QAWPTD) are based on family types. For the purposes of this program the family type used in order in these parameters are: person living alone, couple without children, single parent family and couple with children.

The value of the adapted work premium is phased in by the credit rate QAWPCR[family type] for employment income in excess of QAWPEIPI[family type] until it reaches the maximum value QAWPMAX[family type]. The amount of the work premium may then be reduced based on family income in excess of the income turndown QAWPTD[family type] by the reduction rate QAWPRR.

The calculated amount of the Adapted Work Premium is held in *imqawrkpr*, which is added to the amount of refundable tax credits, *imptc*. In the event that both spouses have employment income, the spouse with the higher net income is assigned the credit.

The Quebec Housing Parent Tax Credit and the Refundable Natural Caregiver Tax Credit have been revised to allow users a new option to model these credits.

A new variable for total self-employment income, *idise*, replaces *idisefm* (self-employment farming) and *idisenf* (self-employment non-farming).

### **txqccea**      **Compute child care expense allowance (Quebec)**

A new variable for total self-employment income, `idise`, replaces `idisefm` (self-employment farming) and `idisenf` (self-employment non-farming).

### **txqinet**      **Compute net income (Quebec)**

Changes were made to the treatment of split pension amounts to match the tax forms. Total income now includes total pension income received by an individual plus any elected split-pension amount transferred from a spouse. Deductions from total income now include the elected split-pension amount that was transferred to a spouse.

A new variable for total self-employment income, `idise`, replaces `idisefm` (self-employment farming) and `idisenf` (self-employment non-farming).

### **txsask**      **Compute provincial taxes for Saskatchewan**

A third option was added to the provincial Caregiver Tax Credit to model the credit amount.

The caregiver tax credit was removed from the block of transferable non-refundable tax credits.

### **ui**      **Compute UI benefits**

A new variable for total self-employment income, `idise`, replaces `idisefm` (self-employment farming) and `idisenf` (self-employment non-farming).

## 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 modified since the last release.

#### **New Parameters**

##### **CPRDESCE: English description of SPSM run**

This control parameter can be used to provide an English description to a specific SPSM run. The French description can be found in the parameter CPRDESCF.

##### **CPRDESCF: French description of SPSM run**

This control parameter can be used to provide a French description to a specific SPSM run. The English description can be found in the parameter CPRDESCE.

##### **CREATEPARMFILES: Force writing of parameter files**

When the `CREATEPARMFILES` parameter is turned on, the following files are always created when a simulation is run: the database adjustment parameter file (\*.apr), the variant tax/transfer parameter file (\*.mpr), and a base tax/transfer parameter file (\*\_B.mpr). These

files will be created even if the parameters were not modified. If it is turned off, the database adjustment parameter file and the variant tax/transfer parameter file are only created when parameter values are changed. In Visual SPSM, this parameter will not be available as it will always be turned on.

**OUTBASMPR: Name of base tax/transfer parameter file (out)**

This control parameter gives the name of the file (using the conventions of the host operating system) which will contain the output base tax/transfer parameters. SPSM writes out such a file only if CREATEPARMFILES is turned on or if the user changed one or more variant tax/transfer parameters from the values in the corresponding input file INPBASMPR. Note that under MS-DOS, names without a drive specifier or any slashes refer to the current directory.

Note that this parameter is not displayed in Visual SPSM since its value is controlled by Visual SPSM.

**Deleted Parameters**

**\*CPRDESC: Description of control parameter file**

This parameter was removed as it was replaced by CPRDESCE and CPRDESCF, allowing both English and French descriptions of the parameter file.

**ADJUSTMENT PARAMETERS**

**Modified Parameters**

**\*FACTISENF: Scale-up factor for self-employment income**

This parameter now scales up both farm and non-farm self-employment income.

**New Parameters**

**APRDESCE: English description of database adjustment parameter file**

This database adjustment parameter can be used to provide an English description of a particular set of database adjustment parameters found in a given database adjustment parameter file. This descriptive text is reproduced in the page headers of any requested output reports when the SPSM is run in English. The French description can be found in the parameter APRDESCF.

**APRDESCF: French description of database adjustment parameter file**

This database adjustment parameter can be used to provide a French description of a particular set of database adjustment parameters found in a given database adjustment parameter file. This descriptive text is reproduced in the page headers of any requested output reports when the SPSM is run in French. The English description can be found in the parameter APRDESCE.

**GFISE: Growth Factor: Total self-employed income**

This database adjustment parameter can be used to provide a French description of a particular set of database adjustment parameters found in a given database adjustment

parameter file. This descriptive text is reproduced in the page headers of any requested output reports when the SPSM is run in French. The English description can be found in the parameter APRDESCE.

### **Deleted Parameters**

#### **\*APRDESC: Description of database adjustment parameter file**

This parameter was removed as it was replaced by APRDESCE and APRDESCF, allowing both English and French descriptions of the parameter file.

#### **\*GFCGLESS: Growth Factor: TCG Less Cap Gains Ded on Cap Prop Gifts**

This parameter was removed since there were not enough records on the database in order to impute taxable capital gains on gifts.

#### **\*GFISEFM: Growth Factor: Self-employed income - farming**

This parameter was removed since new variable for total self-employment income, idise, replaces idisefm (self-employment farming) and idisenf (self-employment non-farming).

#### **\*GFISENF: Growth Factor: Self-employed income - non-farming**

This parameter was removed since new variable for total self-employment income, idise, replaces idisefm (self-employment farming) and idisenf (self-employment non-farming).

### **TAX/TRANSFER PARAMETERS**

#### **Modified Parameters**

#### **ACGTCOPT: Alta Caregiver Tax Credit Option (1=max, 2=greenbook, 3=model)**

This parameter provides users with the option of how to calculate the provincial Caregivers Tax Credit (impcgtc). A value of 1 results in applying the maximum value (ACGTC) if the filer had an amount in idcgtc (from Line 315 and Schedule 12 in the General Tax Guide). To use the greenbook value of the Caregiver amount (idcgtc), this parameter must be set to 2.

A value of 3 will model the credit by assessing the potential for individuals in an economic family who may require caregiving based on age and/or disability. The potential individuals are then income tested by subtracting their net income from the turndown level of ACGTCTD, with the resulting amount not to be greater than the maximum value of ACGTC, and saved in the variable impcgtcp. The individual with an amount in idcgtc is assigned the economic family total of impcgtcp less any amounts of impcgtcp assigned to this individual and their spouse, if applicable.

This non-refundable tax credit is only calculated when the provincial tax on taxable income is calculated (ATXFLG = 1) and the provincial caregivers tax credit is activated (ACGTCFLG = 1).

#### **BCGTCOPT: N.B. Caregiver Tax Credit Option (1=max, 2=greenbook, 3=model)**

This parameter provides users with the option of how to calculate the provincial Caregivers Tax Credit (impcgtc). A value of 1 results in applying the maximum value (BCGTC) if the

filer had an amount in `idcgtc` (from Line 315 and Schedule 12 in the General Tax Guide). To use the greenbook value of the Caregiver amount (`idcgtc`), this parameter must be set to 2.

A value of 3 will model the credit by assessing the potential for individuals in an economic family who may require caregiving based on age and/or disability. The potential individuals are then income tested by subtracting their net income from the turndown level of `BCGTCTD`, with the resulting amount not to be greater than the maximum value of `BCGTC`, and saved in the variable `impcgtcp`. The individual with an amount in `idcgtc` is assigned the economic family total of `impcgtcp` less any amounts of `impcgtcp` assigned to this individual and their spouse, if applicable.

This non-refundable tax credit is only calculated when the provincial tax on taxable income is calculated (`BTXFLG = 1`) and the provincial caregivers tax credit is activated (`BCGTCFLG = 1`).

**CCGTCOPT: B.C. Caregiver Tax Credit Option (1=max, 2=greenbook, 3=model)**

This parameter provides users with the option of how to calculate the provincial Caregivers Tax Credit (`impcgtc`). A value of 1 results in applying the maximum value (`CCGTC`) if the filer had an amount in `idcgtc` (from Line 315 and Schedule 12 in the General Tax Guide). To use the greenbook value of the Caregiver amount (`idcgtc`), this parameter must be set to 2.

A value of 3 will model the credit by assessing the potential for individuals in an economic family who may require caregiving based on age and/or disability. The potential individuals are then income tested by subtracting their net income from the turndown level of `CCGTCTD`, with the resulting amount not to be greater than the maximum value of `CCGTC`, and saved in the variable `impcgtcp`. The individual with an amount in `idcgtc` is assigned the economic family total of `impcgtcp` less any amounts of `impcgtcp` assigned to this individual and their spouse, if applicable.

This non-refundable tax credit is only calculated when the provincial tax on taxable income is calculated (`CTXFLG = 1`) and the provincial caregivers tax credit is activated (`CCGTCFLG = 1`).

**CGTCOPT: Caregiver Tax Credit Option (1=max, 2=greenbook, 3=model)**

This parameter provides users with the option of how to calculate the federal Caregivers Tax Credit (`imcgtc`). A value of 1 results in applying the maximum value (`CGTC`) if the filer had an amount in `idcgtc` (from Line 315 and Schedule 12 in the General Tax Guide). To use the greenbook value of the Caregiver amount (`idcgtc`), this parameter must be set to 2.

A value of 3 will model the credit by assessing the potential for individuals in an economic family who may require caregiving based on age and/or disability. The potential individuals are then income tested by subtracting their net income from the turndown level of `CGTCTD`, with the resulting amount not to be greater than the maximum value of `CGTC`, and saved in the variable `impcgtcp`. The individual with an amount in `idcgtc` is assigned the economic family total of `impcgtcp` less any amounts of `impcgtcp` assigned to this individual and their spouse, if applicable.

This non-refundable tax credit is only calculated when  $CGTCFLG = 1$ .

**MCGTCOPT: Man. Caregiver Tax Credit Option (1=max, 2=greenbook, 3=model)**

This parameter provides users with the option of how to calculate the provincial Caregivers Tax Credit ( $impcgtc$ ). A value of 1 results in applying the maximum value ( $MCGTC$ ) if the filer had an amount in  $idcgtc$  (from Line 315 and Schedule 12 in the General Tax Guide). To use the greenbook value of the Caregiver amount ( $idcgtc$ ), this parameter must be set to 2.

A value of 3 will model the credit by assessing the potential for individuals in an economic family who may require caregiving based on age and/or disability. The potential individuals are then income tested by subtracting their net income from the turndown level of  $MCGTCTD$ , with the resulting amount not to be greater than the maximum value of  $MCGTC$ , and saved in the variable  $impcgtcp$ . The individual with an amount in  $idcgtc$  is assigned the economic family total of  $impcgtcp$  less any amounts of  $impcgtcp$  assigned to this individual and their spouse, if applicable.

This non-refundable tax credit is only calculated when the provincial tax on taxable income is calculated ( $MTXFLG = 1$ ) and the provincial caregivers tax credit is activated ( $MCGTCFLG = 1$ ).

**NCGTCOPT: NFLD Caregiver Tax Credit Option (1=max, 2=greenbook, 3=model)**

This parameter provides users with the option of how to calculate the provincial Caregivers Tax Credit ( $impcgtc$ ). A value of 1 results in applying the maximum value ( $NCGTC$ ) if the filer had an amount in  $idcgtc$  (from Line 315 and Schedule 12 in the General Tax Guide). To use the greenbook value of the Caregiver amount ( $idcgtc$ ), this parameter must be set to 2.

A value of 3 will model the credit by assessing the potential for individuals in an economic family who may require caregiving based on age and/or disability. The potential individuals are then income tested by subtracting their net income from the turndown level of  $NCGTCTD$ , with the resulting amount not to be greater than the maximum value of  $NCGTC$ , and saved in the variable  $impcgtcp$ . The individual with an amount in  $idcgtc$  is assigned the economic family total of  $impcgtcp$  less any amounts of  $impcgtcp$  assigned to this individual and their spouse, if applicable.

This non-refundable tax credit is only calculated when the provincial tax on taxable income is calculated ( $NTXFLG = 1$ ) and the provincial caregivers tax credit is activated ( $NCGTCFLG = 1$ ).

**OCGTCOPT: Ont. Caregiver Tax Credit Option (1=max, 2=greenbook, 3=model)**

This parameter provides users with the option of how to calculate the provincial Caregivers Tax Credit ( $impcgtc$ ). A value of 1 results in applying the maximum value ( $OCGTC$ ) if the filer had an amount in  $idcgtc$  (from Line 315 and Schedule 12 in the General Tax Guide). To use the greenbook value of the Caregiver amount ( $idcgtc$ ), this parameter must be set to 2.

A value of 3 will model the credit by assessing the potential for individuals in an economic family who may require caregiving based on age and/or disability. The potential individuals

are then income tested by subtracting their net income from the turndown level of OCGTCTD, with the resulting amount not to be greater than the maximum value of OCGTC, and saved in the variable `impcgtcp`. The individual with an amount in `idcgtc` is assigned the economic family total of `impcgtcp` less any amounts of `impcgtcp` assigned to this individual and their spouse, if applicable.

This non-refundable tax credit is only calculated when the provincial tax on taxable income is calculated (`OTXFLG = 1`) and the provincial caregivers tax credit is activated (`OCGTCFLG = 1`).

**PCGTCOPT: P.E.I. Caregiver Tax Credit Option (1=max, 2=greenbook, 3=model)**

This parameter provides users with the option of how to calculate the provincial Caregivers Tax Credit (`impcgtc`). A value of 1 results in applying the maximum value (`PCGTC`) if the filer had an amount in `idcgtc` (from Line 315 and Schedule 12 in the General Tax Guide). To use the greenbook value of the Caregiver amount (`idcgtc`), this parameter must be set to 2.

A value of 3 will model the credit by assessing the potential for individuals in an economic family who may require caregiving based on age and/or disability. The potential individuals are then income tested by subtracting their net income from the turndown level of `PCGTCTD`, with the resulting amount not to be greater than the maximum value of `PCGTC`, and saved in the variable `impcgtcp`. The individual with an amount in `idcgtc` is assigned the economic family total of `impcgtcp` less any amounts of `impcgtcp` assigned to this individual and their spouse, if applicable.

This non-refundable tax credit is only calculated when the provincial tax on taxable income is calculated (`PTXFLG = 1`) and the provincial caregivers tax credit is activated (`PCGTCFLG = 1`).

**QHPTCOPT: Quebec Housing Parent Tax Credit Calculation Option (1=max, 2=model)**

This parameter provides users with the option of how to calculate the Quebec Tax Credit with respect to Housing of a Parent (`imqhptc`). A value of 1 results in applying the maximum value (`QHPTC`) if the filer had an amount in `idcgtc` (from Line 315 and Schedule 12 in the General Tax Guide). To use the greenbook value of the Caregiver amount (`idcgtc`), this parameter must be set to 2. A value of 3 will model the credit by checking for eligible dependents in the economic family and assigning the maximum credit (`QHPTC`) to each eligible dependent in the variable `imqhptcp`. The eligible caregiver, may be assigned the economic family total value for `imqhptcp` less any amounts attributed to the caregiver and the caregiver's spouse, if applicable. This refundable tax credit is only calculated when the housing parent tax credit is activated (`QHPTCFLG = 1`). The resulting value of the tax credit is also added to `imptc`.

**SCGTCOPT: Sask. Caregiver Tax Credit Option (1=max, 2=greenbook, 3=model)**

This parameter provides users with the option of how to calculate the provincial Caregivers Tax Credit (`impcgtc`). A value of 1 results in applying the maximum value (`SCGTC`) if the filer had an amount in `idcgtc` (from Line 315 and Schedule 12 in the General Tax Guide). To use the greenbook value of the Caregiver amount (`idcgtc`), this parameter must be set to 2.

A value of 3 will model the credit by assessing the potential for individuals in an economic family who may require caregiving based on age and/or disability. The potential individuals are then income tested by subtracting their net income from the turndown level of SCGTCTD, with the resulting amount not to be greater than the maximum value of SCGTC, and saved in the variable impcgtcp. The individual with an amount in idcgtc is assigned the economic family total of impcgtcp less any amounts of impcgtcp assigned to this individual and their spouse, if applicable.

This non-refundable tax credit is only calculated when the provincial tax on taxable income is calculated (STXFLG = 1) and the provincial caregivers tax credit is activated (SCGTCFLG = 1).

**VCGTCOPT: N.S. Caregiver Tax Credit Option (1=max, 2=greenbook, 3=model)**

This parameter provides users with the option of how to calculate the provincial Caregivers Tax Credit (impcgtc). A value of 1 results in applying the maximum value (VCGTC) if the filer had an amount in idcgtc (from Line 315 and Schedule 12 in the General Tax Guide). To use the greenbook value of the Caregiver amount (idcgtc), this parameter must be set to 2.

A value of 3 will model the credit by assessing the potential for individuals in an economic family who may require caregiving based on age and/or disability. The potential individuals are then income tested by subtracting their net income from the turndown level of VCGTCTD, with the resulting amount not to be greater than the maximum value of VCGTC, and saved in the variable impcgtcp. The individual with an amount in idcgtc is assigned the economic family total of impcgtcp less any amounts of impcgtcp assigned to this individual and their spouse, if applicable.

This non-refundable tax credit is only calculated when the provincial tax on taxable income is calculated (VTXFLG = 1) and the provincial caregivers tax credit is activated (VCGTCFLG = 1).

**New Parameters**

**ACGTCTD: Alta. Caregiver Tax Credit turn down income**

This is the turn down income of the Alberta Caregiver Tax Credit (impcgtc). For more explanation see ACGTCFLG.

The parameter is only used when the provincial tax on taxable income is calculated (ATXFLG = 1).

**BCGTCTD: N.B. Caregiver Tax Credit turn down income**

This is the turn down income of the New Brunswick Caregiver Tax Credit (impcgtc). For more explanation see BCGTCFLG.

The parameter is only used when the provincial tax on taxable income is calculated (BTXFLG = 1).

**BHEAPFLG: N.B. Home Energy Assistance Program activation flag**

This flag determines the energy source that is eligible for the benefit. When set to 0, households must use home heating oil as the primary source of heat and the family total income (head plus spouse) must be less than BHEATPO, under the Home Heating Oil Benefit. When set to 1, the benefit is geared towards low-income households (income less than BHEATPO) with electricity expenses, under the Home Energy Assistance Program. BHEATFLG must be activated for this flag to have effect.

**CCATCA: B.C. Climate Action Tax Credit amount for adults**

This parameter represents the basic British Columbia Climate Action Tax Credit for adults. This amount may also be claimed by the first dependent in a single parent family. This parameter is used only if CCATCFLG is set to 1.

**CCATCAP: B.C. Climate Action Tax Credit amount for adults for 1<sup>st</sup> half of year**

This parameter represents the basic British Columbia Climate Action Tax Credit for adults. This amount may also be claimed by the first dependent in a single parent family. This parameter is used only if CCATCFLG is set to 1.

**CCATCC: B.C. Climate Action Tax Credit amount for children**

If CCATCFLG is set to 1, this amount is claimable for the British Columbia Climate Action Tax Credit on behalf of each child under the age of 19 years.

**CCATCCP: B.C. Climate Action Tax Credit amount for children for 1<sup>st</sup> half of year**

If CCATCFLG is set to 1, this amount is claimable for the British Columbia Climate Action Tax Credit on behalf of each child under the age of 19 years.

**CCATCFL: B.C. Climate Action Tax Credit family reduction level**

This parameter contains the level of family net income above which the British Columbia Low Income Climate Action Tax Credit is reduced by the reduction rate CCATCR for couples and single parents.

The family net income concept consists of head and spouse, if applicable, net income as per the tax form (line 236) less any Universal Child Care Benefits.

This parameter is used only if CCATCFLG is set to 1.

**CCATCFLG: B.C. Climate Action Tax Credit activation flag**

This parameter is used to control the British Columbia Low Income Climate Action Tax Credit option. With a value of 1, the credit is calculated, otherwise it is not. The value of the credit is saved in imcatc and added to imptc, refundable provincial tax credits.

The Climate Action Tax Credit consists of an amount per adult (CCATCA) plus amounts for dependents under 19 (CCATCC). For single parent families, the first dependent may claim the amount for adults. The total climate action tax credit is reduced by a fraction (CCATCR) of family net income exceeding the turndown level (CCATCFL for couples and single parents, CCATCSL for single individuals).

**CCATCFLP: B.C. Climate Action Tax Credit family reduction level for 1<sup>st</sup> half of year**

This parameter contains the level of family net income above which the British Columbia Low Income Climate Action Tax Credit is reduced by the reduction rate CCATCRP for couples and single parents.

The family net income concept consists of head and spouse, if applicable, net income as per the tax form (line 236) less any Universal Child Care Benefits.

This parameter is used only if CCATCFLG is set to 1.

**CCATCR: B.C. Climate Action Tax Credit reduction rate**

The proportion of Family Net Income exceeding the income threshold (CCATCFL for families and single parents, CCATCSL for single individuals) used to reduce the total British Columbia Climate Action Tax Credit. This parameter is used only if CCATCFLG is set to 1.

**CCATCRP: B.C. Climate Action Tax Credit reduction rate for 1<sup>st</sup> half of year**

The proportion of Family Net Income exceeding the income threshold (CCATCFLP for families and single parents, CCATCSLP for single individuals) used to reduce the total British Columbia Climate Action Tax Credit. This parameter is used only if CCATCFLG is set to 1.

**CCATCSL: B.C. Climate Action Tax Credit individual reduction level**

This parameter contains the level of net income above which the British Columbia Low Income Climate Action Tax Credit is reduced by the reduction rate CCATCR for single individuals.

This parameter is used only if CCATCFLG is set to 1.

**CCATCFLP: B.C. Climate Action Tax Credit individual reduction level for 1<sup>st</sup> half of year**

This parameter contains the level of net income above which the British Columbia Low Income Climate Action Tax Credit is reduced by the reduction rate CCATCRP for single individuals.

This parameter is used only if CCATCFLG is set to 1.

**CCGTCTD: B.C. Caregiver Tax Credit turn down income**

This is the turn down income of the Alberta Caregiver Tax Credit (impcgtc). For more explanation see ACGTCFLG.

The parameter is only used when the provincial tax on taxable income is calculated (ATXFLG = 1).

**CCLIMDIV: B.C. Climate Action Dividend**

All British Columbia residents aged 18 or over will receive this amount from the B.C. government to make changes to reduce their use of fossil fuels. Children under 18 will also

be entitled to this amount which will be allocated to a parent. The value is saved in imclimdv.

**CGTCTD: Caregiver Tax Credit turn down income**

This is the turn down income of the Caregiver Tax Credit (imcgtc). For more explanation see CGTCFLG.

**CTPCAR: Provincial carbon tax [com x prov]**

This parameter represents the effective provincial tax rates for carbon taxes or duties, by expenditure category and province, on consumer's expenditure. This tax is only applied in BC and Quebec.

**CWITBFAM: B.C. Working Income Tax Benefit amount for couples/single parents**

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

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

**CWITBFPO: B.C. WITB family net income phase-out threshold**

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

**CWITBMINE: B.C. Working Income Tax Benefit minimum earnings threshold**

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

**CWITBPIR: B.C. Working Income Tax Benefit Phase in Rate**

This parameter contains the phase in rate for the British Columbia refundable Working Income Tax Benefit (WITB) for British Columbia individuals/families with earnings in excess of CWITBMINE, until the respective maximum benefit is attained. Single individuals are eligible for a maximum benefit amount of CWITBSNG while individuals in a couple or single parent family are eligible for a maximum benefit amount of CWITBFAM.

**CWITBRR: B.C. Working Income Tax Benefit reduction rate**

This parameter contains the reduction rate for the British Columbia refundable Working Income Tax Benefit (WITB). Single individuals who are residents of British Columbia will see their maximum benefit amount of CWITBSNG reduced by this rate for every dollar of

net income in excess of CWITBSPO. British Columbia families and single parents will see their maximum benefit amount of CWITBFAM reduced by this rate for every dollar of family net income in excess of CWITBFPO.

**CWITBSAMT: B.C. WITB Supplement for Disabilities Amount**

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

Individuals will have their benefit calculated as CWITBSPIR of each dollar of earned income in excess of CWITBSMINE to this maximum. The credit may be reduced by CWITBSRR 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 the B.C. WITB based on the spouse's student status, the turndown threshold is CWITBSSPO. For couples where both are B.C. WITB eligible and for single parent families, the threshold is CWITBSFPO.

**CWITBSFPO: B.C. WITB Supplement for Disabilities Family Net Income Phase-out Threshold**

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

**CWITBSMINE: B.C. WITB Supplement for Disabilities Minimum Earnings Threshold**

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

**CWITBSNG: B.C. Working Income Tax Benefit amount for singles**

This is the maximum British Columbia 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 and who are residents of British Columbia.

Individuals will have their benefit calculated as CWITBPIR of each dollar of earned income in excess of CWITBMINE to this maximum. The credit may be reduced by CWITBRR for each dollar of their net income in excess of CWITBSPO.

**CWITBSPIR: B.C. WITB Supplement for Disabilities Phase-in Rate**

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

**CWITBSPO: B.C. WITB Single Net Income Phase-out Threshold**

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

**CWITBSRR: B.C. WITB Supplement for Disabilities Reduction Rate**

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

**CWITBSPO: B.C. WITB Supplement for Disabilities Single Net Income Phase-out Threshold**

This parameter contains the income threshold at which the maximum British Columbia 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, have no dependents and are residents of British Columbia. Their maximum credit amount CWITBSAMT will be reduced by CWITBSRR for each dollar of their net income in excess of this amount.

**GISEMPEXM: GIS Employment Income Exemption – maximum**

The maximum exemption of employment earnings that may be exempt in the income test used to determine GIS eligibility. Employment earnings include wages and salaries (idiemp), less other employment expenses (idalexp) and clergy residence deduction (idclergy). Of this total calculation, applicants can deduct a percentage of earnings (GISEMPEXP) up to this maximum.

**GISEMPEXP: GIS Employment Income Exemption – percentage of earnings**

The percentage of employment earnings that may be exempt, up to a maximum of GISEMPEXM, in the income test used to determine GIS eligibility. Employment earnings include wages and salaries (idiemp), less other employment expenses (idalexp) and clergy residence deduction (idclergy).

**MCBAMTP: Manitoba Child Benefit amount per child for 1<sup>st</sup> half of year**

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

**MCBPI: Manitoba Child Benefit phase in rate**

When the parameter MCBFLAG is set to one, the value of this parameter is always multiplied by the calculated amount of the Manitoba Child Benefit (immcb). The parameter was designed to simulate the partial year benefits due to the commencement of the program

in January 2008.

**MCBPIP: Manitoba Child Benefit phase in rate for calendar year**

When the parameter MCBFLAG is set to one, the value of this parameter is always multiplied by the calculated amount of the Manitoba Child Benefit (immcb). The parameter was designed to simulate the partial year benefits due to the commencement of the program in January 2008.

**MCBRR1: Manitoba Child Benefit reduction rate for 1 child**

For families with one child, this parameter represents the rate at which the Manitoba Child Benefit (immcb) will be reduced by when family net income exceeds the (MCBTD) turn down level.

**MCBRR1P: Manitoba Child Benefit reduction rate for 1 child for 1<sup>st</sup> half of year**

For families with one child, this parameter represents the rate at which the Manitoba Child Benefit (immcb) will be reduced by when family net income exceeds the (MCBTDP) turn down level.

**MCBRR2: Manitoba Child Benefit reduction rate for 2 children**

For families with two children, this parameter represents the rate at which the Manitoba Child Benefit (immcb) will be reduced by when family net income exceeds the (MCBTD) turn down level.

**MCBRR2P: Manitoba Child Benefit reduction rate for 2 children for 1<sup>st</sup> half of year**

For families with two children, this parameter represents the rate at which the Manitoba Child Benefit (immcb) will be reduced by when family net income exceeds the (MCBTDP) turn down level.

**MCBRR3: Manitoba Child Benefit reduction rate for 3+ children**

For families with three or more children, this parameter represents the rate at which the Manitoba Child Benefit (immcb) will be reduced by when family net income exceeds the (MCBTD) turn down level.

**MCBRR3P: Manitoba Child Benefit reduction rate for 3+ children for 1<sup>st</sup> half of year**

For families with three or more children, this parameter represents the rate at which the Manitoba Child Benefit (immcb) will be reduced by when family net income exceeds the (MCBTDP) turn down level.

**MCBTDP: Manitoba Child Benefit turndown for 1<sup>st</sup> half of year**

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 benefit is reduced at a rate of

MCBRR1P for families with 1 child, MCBRR2P for families with 2 children or MCBRR3P for families with 3 or more children for each dollar of adjusted family net income in excess of this amount.

**MCGTCTD: Man. Caregiver Tax Credit turn down income**

This is the turn down income of the Manitoba Caregiver Tax Credit (impcgtc). For more explanation see MCGTCFLG.

The parameter is only used when the provincial tax on taxable income is calculated (MTXFLG = 1).

**MFTBAGE: Manitoba Family Tax Benefit age amount**

This parameter is a credit which can be claimed if the filer is age 65 or over under the Manitoba Family Tax Benefit when MFTBFLAG is set to 1.

**MFTBDIS: Manitoba Family Tax Benefit amount for disabilities for self or spouse**

This parameter is a credit which can be claimed if the filer is age 65 or over under the Manitoba Family Tax Benefit when MFTBFLAG is set to 1.

**MFTBFLAG: Manitoba Family Tax Benefit activation flag**

This parameter activates the Manitoba Family Tax Benefit which replaces the Manitoba Tax Reduction program as of 2008. The Manitoba Family Tax Benefit is now included in the block of non-refundable tax credits.

Individuals may claim MFTBSELF for themselves, MFTBSP if they claimed an amount for spouse or equivalent to spouse, MFTBAGE if they claimed an age tax credit and MFTBDIS if they claimed an amount for disability. An amount for a spouse aged 65 or over (MFTBSAGE) may be claimed if their spouse claimed an age credit and had credits transferred. An amount for a disabled spouse (MFTBDIS) may be claimed if the spouse claimed the disabled credit and had credits transferred. The spouse with the higher net income may also claim an amount for dependent children aged 18 or younger (MFTBKID). In the event that an individual claimed an amount for equivalent to spouse, the amounts for dependent children cannot be claimed for the individual claimed as equivalent to spouse.

The calculated benefit is then reduced by MFTBIOS of net income. The remaining amount is then multiplied by the non-refundable tax credit rate (MPNTCR), saved in immtfb, and added to the other non-refundable tax credits (imptaxcr).

**MFTBIOS: Manitoba Family Tax Benefit net income offset**

The percentage of net income (imicnet) used to offset the Manitoba Family Tax Benefit.

**MFTBKID: Manitoba Family Tax Benefit amount for kids**

This parameter is the Manitoba Family Tax Benefit amount which can be claimed per dependent children aged 18 and under, excluding the child claimed as equivalent to spouse, if applicable.

**MFTBODIS: Manitoba Family Tax Benefit age amount for older infirm dependents**

An individual who claimed an amount for disabled dependents aged 18 and over (idothpe) may claim this amount as a disability credit in determining the Manitoba Family Tax Benefit (immftb). Note that the model assumes that there is only 1 disabled dependent.

**MFTBSAGE: Manitoba Family Tax Benefit age amount for spouse**

This parameter is a credit which can be claimed if the filer's spouse is age 65 or over and the Amounts Transferred From Spouse Tax Credit has been claimed, under the Manitoba Family Tax Benefit when MFTBFLAG is set to 1.

**MFTBSELF: Manitoba Family Tax Benefit amount for self**

This is the basic credit amount of Manitoba Family Tax Benefit. This amount is reduced by MFTBIOS percent of net income.

**MFTBSP: Manitoba Family Tax Benefit amount for spouse or equivalent to spouse**

This parameter is an additional credit with respect to the spouse or equivalent to spouse if the filer has claimed the Married or Equivalent Tax Credit for the Manitoba Family Tax Benefit when MFTBFLAG is set to 1.

**MPRDESCE: English description of tax/transfer parameter file**

This parameter can be used to provide an overall English title to the set of tax/transfer parameters contained in a given tax/transfer parameter file. This description is used by the SPSM output facilities to produce page titles when it is run in English. The French title can be found in MPRDESCF.

**MPRDESCF: French description of tax/transfer parameter file**

This parameter can be used to provide an overall French title to the set of tax/transfer parameters contained in a given tax/transfer parameter file. This description is used by the SPSM output facilities to produce page titles when it is run in French. The English title can be found in MPRDESCE.

**NCGTCTD: NFLD Caregiver Tax Credit turn down income**

This is the turn down income of the Newfoundland Caregiver Tax Credit (impcgtc). For more explanation see NCGTCFLG.

The parameter is only used when the provincial tax on taxable income is calculated (NTXFLG = 1).

**NHEATERB: Newfoundland Electricity Rebate Amount**

When NHEATFLG is turned on, eligible households will receive this amount as an electricity rebate from the Newfoundland government. Eligible households with incomes between the turndown level (NHEATTD) and the phase-out level (NHEATPO) will receive a partial rebate, not less than the minimum rebate (NHEATMIN). The value of the rebate is held in impheatr.

**NHEATERR: Newfoundland Electricity Rebate Reduction Rate**

This parameter contains the reduction rate used to calculate a partial Newfoundland Electricity Rebate program when NHEATINC is set to 1 and NHEATERB is greater than 0. Eligible households with incomes between the turndown level (NHEATTD) and the phase-out level (NHEATPO) will receive a partial rebate, not less than the minimum rebate (NHEATMIN), using this reduction rate.

**NHEATTU: Newfoundland Home Heating Fuel Rebate Take Up**

This parameter represents the take up rate for the Newfoundland home heating rebate program. Eligible persons and families must apply for the rebate. A take up rate of 1.000 denotes that all eligible individuals would receive the benefits. Take up rates between 0.000 and 1.000 would result in only that proportion applying for these benefits.

See NHEATFLG for the rebate program details.

**NPFGB: Newfoundland Progressive Family Growth Benefit**

This parameter contains the lump-sum payment for the Progressive Family Growth Benefit (PFGB) which is available to residents of Newfoundland and Labrador who give birth to a baby or have a child placed with them for adoption on or after January 1, 2008. Since eligible individuals must apply for the benefit, a take up rate is also supplied (NPFGBTU). The value of the benefit is saved in impfpgb and added to provincial family programs (impfp).

**NPFGBTU: Newfoundland Progressive Family Growth Benefit Take up**

This parameter contains the take up rate for the Newfoundland and Labrador Progressive Family Growth Benefit (NPFGB) and Parental Support Benefit (NPSB) which are available to residents of Newfoundland and Labrador who give birth to a baby or have a child placed with them for adoption on or after January 1, 2008. Since eligible individuals must apply for these benefits, which are both contained in one application form, this single take up rate is supplied for both programs.

A take up rate of 1.000 denotes that all eligible individuals would receive the benefits. Take up rates between 0.000 and 1.000 would result in only that proportion applying for these

benefits.

**NPSB: Newfoundland Parental Support Benefit**

This parameter contains the annual amount for the Newfoundland and Labrador Parental Support Benefit program for each child under age 1. The program was implemented in January 2008. Since eligible individuals must apply for the benefit, a take up rate is also supplied (NPFGBTU). The value of the benefit is saved in `imnpsb` and added to provincial family programs (`impfp`).

**OCGTCTD: Ont. Caregiver Tax Credit turn down income**

This is the turn down income of the Ontario Caregiver Tax Credit (`impcgtc`). For more explanation see `OCGTCFLG`.

The parameter is only used when the provincial tax on taxable income is calculated (`OTXFLG = 1`).

**OCWISMIN: Ontario Child Care Working Income Supplement minimum benefit**

This parameter contains the minimum amount for the Ontario Child Care Working Income Supplement. Calculated benefits between 0 and this minimum amount are granted the minimum.

**OSHPTGAMT: Ontario Senior Homeowners' Property Tax Grant Amount**

This parameter contains the Ontario Senior Homeowners' Property Tax Grant maximum amount.

See `OSHPTGFLG` for details.

**OSHPTGFLG: Ontario Senior Homeowners' Property Tax Grant activation flag**

This flag turns on or off the Ontario Senior Homeowners' Property Tax Grant (`imoshptg`), which was introduced in the 2008 Ontario Budget.

Under the Ontario Senior Homeowners' Property Tax Grant program, seniors may be entitled to receive a grant of `OSHPTGAMT` for property taxes paid, provided they are at least `OSHPTGMPT`. Couples where at least one is a senior will receive the maximum benefit provided their income (head + spouse) is less than `OSHPTGTDC`, and a reduced benefit for income between `OSHPTGTDC` and `OSHPTGPOC`. Eligible single seniors will receive the maximum benefit if their income is less than `OSHPTGTDS` and a partial benefit for income between `OSHPTGTDS` and `OSHPTGPOS`.

The income concept used is net income (`imicnet`) less any UCCB payments (`imuccb`) from the previous year.

The value of the Ontario Senior Homeowners' Property Tax Grant (`imoshptg`) is added to provincial other government income (`impoth`).

**OSHPTGMPT: Ontario Senior Homeowners' Property Tax Grant minimum property tax allowed**

This parameter contains the Ontario Senior Homeowners' Property Tax Grant minimum eligible amount of property taxes paid in the previous year.

See OSHPTGFLG for details.

**OSHPTGPOC: Ontario Senior Homeowners' Property Tax Grant income phase out for senior couples**

This parameter contains the Ontario Senior Homeowners' Property Tax Grant income turndown amount for senior couples.

See OSHPTGFLG for details.

**OSHPTGPOS: Ontario Senior Homeowners' Property Tax Grant income phase out for single seniors**

This parameter contains the Ontario Senior Homeowners' Property Tax Grant income phase out amount for single seniors, where no grant is payable for income in excess of this amount

See OSHPTGFLG for details.

**OSHPTGTDC: Ontario Senior Homeowners' Property Tax Grant income turndown for senior couples**

This parameter contains the Ontario Senior Homeowners' Property Tax Grant income turndown amount for senior couples.

See OSHPTGFLG for details.

**OSHPTGTDS: Ontario Senior Homeowners' Property Tax Grant income turndown for single seniors**

This parameter contains the Ontario Senior Homeowners' Property Tax Grant income turndown amount for single seniors.

See OSHPTGFLG for details.

**OTXTGRANT: Ontario Textbook and Technology Grant amount**

This parameter contains the Ontario Textbook and Technology Grant amount. Starting in 2008, this amount is allocated to all full-time college and university students in Ontario who are in full-time studies for at least 4 months. The value of the grant is saved in imotxtgr and added to provincial other government income (impoth).

**PCGTCTD: P.E.I. Caregiver Tax Credit turn down income**

This is the turn down income of the Prince Edward Island Caregiver Tax Credit (impcgtc). For more explanation see PCGTCFLG.

The parameter is only used when the provincial tax on taxable income is calculated

(PTXFLG = 1).

**QAWPCR: Quebec Adapted Work Premium for disabled credit rate [family type]**

This parameter represents the credit rates used to calculate the maximum value for the Quebec Adapted Work Premium for Disabilities, based on family type. For the purposes of this program the family type used in order in these parameters are: person living alone, couple without children, single parent family and couple with children.

The value of the adapted work premium is phased in by the credit rate QAWPCR[family type] for employment income in excess of QAWPEIPI[family type] until it reaches the maximum value QAWPMAX[family type]. The amount of the work premium may then be reduced based on family income in excess of the income turndown QAWPTD[family type] by the reduction rate QAWPRR.

**QAWPEIPI: Quebec Adapted Work Premium for disabled Employment Income Phase in [family type]**

This parameter represents the vector by family type of the phase in credit rates used in the calculation of the Quebec Adapted Work Premium for Disabilities refundable tax credit. The adapted work premium is based on family type, the order for this vector: person living alone, couple without children, single parent family and couple with children.

The value of the adapted work premium is phased in by the credit rate QAWPCR[family type] for employment income in excess of QAWPEIPI[family type] until it reaches the maximum value QAWPMAX[family type]. The amount of the work premium may then be reduced based on family income in excess of the income turndown QAWPTD[family type] by the reduction rate QAWPRR.

**QAWPFLAG: Quebec Adapted Work Premium for disabled refundable tax credit**

This flag activates the Quebec Adapted Work Premium for persons with disabilities when set to 1. The Adapted Work Premium, announced in the 2008 Quebec Budget, is designed to recognize that persons with disabilities must overcome significant obstacles when they enter the labour market. Beginning in 2008, families with at least one member eligible for the non-refundable tax credit for severe or prolonged impairment, will receive the adapted work premium, instead of the original work premium, in the form of a non-taxable refundable tax credit.

The parameters associated with the Adapted Work Premium (QAWPCR, QAWPEIPI, QAWPMAX and QAWPTD) are based on family types. For the purposes of this program the family type used in order in these parameters are: person living alone, couple without children, single parent family and couple with children.

The value of the adapted work premium is phased in by the credit rate QAWPCR[family type] for employment income in excess of QAWPEIPI[family type] until it reaches the maximum value QAWPMAX[family type]. The amount of the work premium may then be reduced based on family income in excess of the income turndown QAWPTD[family type] by the reduction rate QAWPRR.

The calculated amount of the Adapted Work Premium is held in `imqawrkpr`, which is added to the amount of refundable tax credits, `imptc`. In the event that both spouses have employment income, the spouse with the higher net income is assigned the credit.

**QAWPMAX: Quebec Adapted Work Premium for disabled maximum [family type]**

This parameter represents the maximum value for the Quebec Adapted Work Premium for Disabilities, based on family type. For the purposes of this program the family type used in order in these parameters are: person living alone, couple without children, single parent family and couple with children.

The value of the adapted work premium is phased in by the credit rate `QAWPCR[family type]` for employment income in excess of `QAWPEIPI[family type]` until it reaches the maximum value `QAWPMAX[family type]`. The amount of the work premium may then be reduced based on family income in excess of the income turndown `QAWPTD[family type]` by the reduction rate `QAWPRR`.

**QAWPRR: Quebec Adapted Work Premium for disabled reduction rate**

This parameter represents the reduction rate used to calculate the Quebec Adapted Work Premium for Disabilities when family income exceeds the income thresholds which are based on family type (`QAWPTD`). This reduction rate is used for all family types.

The value of the adapted work premium is phased in by the credit rate `QAWPCR[family type]` for employment income in excess of `QAWPEIPI[family type]` until it reaches the maximum value `QAWPMAX[family type]`. The amount of the work premium may then be reduced based on family income in excess of the income turndown `QAWPTD[family type]` by the reduction rate `QAWPRR`.

**QAWPTD: Quebec Adapted Work Premium for disabled income turndown [family type]**

This parameter represents the income turndown amounts for the Quebec Adapted Work Premium for Disabilities, based on family type. For the purposes of this program the family type used in order in these parameters are: person living alone, couple without children, single parent family and couple with children.

The value of the work premium is phased in by the credit rate `QAWPCR[family type]` for employment income in excess of `QAWPEIPI[family type]` until it reaches the maximum value `QAWPMAX[family type]`. The amount of the work premium may then be reduced based on family income in excess of the income turndown `QAWPTD[family type]` by the reduction rate `QAWPRR`.

**QRNCGMR: Quebec Natural Caregivers Tax Credit maximum reduction**

When `QRNCGOPT` is set to 2 to model the Quebec Refundable Natural Caregivers Tax Credit, this parameter represents the maximum reduction amount associated with the income turndown used in the income test to determine the dependent's calculated value for the credit (`imqntcp`). This amount is calculated as `QRNCGTC` minus the lesser of a) the dependent's net income less `QRNCGTD` multiplied by `QRNCGTCR` and b) this amount.

### **QRNCGOPT: Quebec Natural Caregivers Tax Credit Option (1=max, 2=model)**

This parameter provides users with the option of how to calculate the Quebec Refundable Natural Caregivers Tax Credit (imqncgtc). A value of 1 results in applying the maximum value (QRNCGTC) if the filer had an amount in idcgtc (from Line 315 and Schedule 12 in the General Tax Guide), and an additional (QRNCGTC) if the filer had an amount in idothpe (amount for infirm dependents).

A value of 2 will model the credit by checking for eligible dependents in the economic family and calculating the dependent's amount in imqnctcp. Eligible dependents are persons aged 70 and over and disabled individuals 18 years or older. This amount is calculated as QRNCGTC minus the lesser of a) the dependent's net income less QRNCGTD multiplied by QRNCGTCR and b) QRNCGTMR. The eligible caregiver may be assigned the economic family total value for imqnctcp less any imqnctcp amounts attributed to the caregiver and the caregiver's spouse, if applicable.

This refundable tax credit is only calculated when the housing parent tax credit is activated (QRNCGFLG = 1). The resulting value of the tax credit is also added to imptc.

### **QRNCGTCR: Quebec Natural Caregivers Tax Credit rate**

When QRNCGOPT is set to 2 to model the Quebec Refundable Natural Caregivers Tax Credit, this parameter represents the rate associated with the income turndown used in the income test to determine the dependent's calculated value for the credit (imqnctcp). This amount is calculated as QRNCGTC minus the lesser of a) the dependent's net income less QRNCGTD multiplied by this rate (QRNCGTCR) and b) QRNCGMR.

### **QRNCGTD: Quebec Natural Caregivers Tax Credit income turndown**

When QRNCGOPT is set to 2 to model the Quebec Refundable Natural Caregivers Tax Credit, this parameter represents the income turndown used in the income test to determine the dependent's calculated value for the credit (imqnctcp). This amount is calculated as QRNCGTC minus the lesser of a) the dependent's net income less this amount multiplied by QRNCGTCR and b) QRNCGTMR.

### **QWITBFAM: Quebec Working Income Tax Benefit amount for couples/single parents**

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

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

### **QWITBFPO: Quebec WITB family net income phase-out threshold**

This parameter contains the income threshold at which the maximum Quebec Working Income Tax Benefit (WITB) refundable credit begins to be reduced for couples or single parent families who are residents of Quebec. Their maximum credit amount QWITBFAM

will be reduced by QWITBRR for each dollar of their family net income in excess of this amount.

**QWITBMINEF: Quebec Working Income Tax Benefit minimum earnings threshold for families**

This parameter contains the minimum earnings threshold required by couples and single parent families for eligibility for the Quebec refundable Working Income Tax Benefit (WITB).

**QWITBMINES: Quebec Working Income Tax Benefit minimum earnings threshold for singles**

This parameter contains the minimum earnings threshold required by single individuals for eligibility for the Quebec refundable Working Income Tax Benefit (WITB).

**QWITBPIRF: Quebec Working Income Tax Benefit Phase in Rate for families**

This parameter contains the phase in rate for the Quebec refundable Working Income Tax Benefit (WITB) for Quebec families and single parents with earnings in excess of QWITBMINEF, until the respective maximum benefit is attained. Individuals in a couple or single parent family are eligible for a maximum benefit amount of QWITBFAM.

**QWITBPIRS: Quebec Working Income Tax Benefit Phase in Rate for singles**

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

**QWITBRR: Quebec Working Income Tax Benefit reduction rate**

This parameter contains the reduction rate for the Quebec refundable Working Income Tax Benefit (WITB). Single individuals who are residents of Quebec will see their maximum benefit amount of QWITBSNG reduced by this rate for every dollar of net income in excess of QWITBSPO. Quebec families and single parents will see their maximum benefit amount of QWITBFAM reduced by this rate for every dollar of family net income in excess of QWITBFPO.

**QWITBSAMT: Quebec WITB Supplement for Disabilities Amount**

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

Individuals will have their benefit calculated as QWITBSPIR of each dollar of earned income in excess of QWITBSMINE to this maximum. The credit may be reduced by QWITBSRR 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 the Quebec WITB based on the spouse's student status, the turndown threshold is QWITBSPO. For

couples where both are Quebec WITB eligible and for single parent families, the threshold is QWITBSFPO.

**QWITBSFPO: Quebec WITB Supplement for Disabilities Family Net Income Phase-out Threshold**

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

**QWITBSMINE: Quebec WITB Supplement for Disabilities Minimum Earnings Threshold**

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

**QWITBSNG: Quebec Working Income Tax Benefit amount for singles**

This is the maximum Quebec 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 and who are residents of Quebec.

Individuals will have their benefit calculated as QWITBPIRS of each dollar of earned income in excess of QWITBMINES to this maximum. The credit may be reduced by QWITBRR for each dollar of their net income in excess of QWITBSPO.

**QWITBSPIR: Quebec WITB Supplement for Disabilities Phase-in Rate**

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

**QWITBSPO: Quebec WITB Single Net Income Phase-out Threshold**

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

**QWITBSRR: Quebec WITB Supplement for Disabilities Reduction Rate**

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

### **QWITBSSPO: Quebec WITB Supplement for Disabilities Single Net Income Phase-out Threshold**

This parameter contains the income threshold at which the maximum Quebec 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, have no dependents and are residents of Quebec. Their maximum credit amount QWITBSAMT will be reduced by QWITBSRR for each dollar of their net income in excess of this amount.

### **SCGTCTD: Sask. Caregiver Tax Credit turn down income**

This is the turn down income of the Saskatchewan Caregiver Tax Credit (impcgtc). For more explanation see SCGTCFLG.

The parameter is only used when the provincial tax on taxable income is calculated (STXFLG = 1).

### **VCGTCTD: N.S. Caregiver Tax Credit turn down income**

This is the turn down income of the Nova Scotia Caregiver Tax Credit (impcgtc). For more explanation see VCGTCFLG.

The parameter is only used when the provincial tax on taxable income is calculated (VTXFLG = 1).

### **WITBSCRR: WITB Supplement for Disabilities Reduction Rate for eligible couples**

This parameter contains the reduction rate for the federal refundable Working Income Tax Benefit (WITB) Supplement for Disabilities where both individuals in a couple are eligible for the disability tax credit. Eligible individuals will see their maximum benefit amount of WITBSAMT reduced by this rate for every dollar of family net income in excess of WITBSFPO.

### **Deleted Parameters**

#### **\*MCBEIR: Manitoba Child Benefit earned income phase in rate**

This parameter was removed as it is no longer required now that the regulations for the Manitoba Child Benefit have been released. There is no earned income component in the final design of this program.

#### **\*MCBMINE: Manitoba Child Benefit minimum earnings threshold**

This parameter was removed as it is no longer required now that the regulations for the Manitoba Child Benefit have been released. There is no earned income component in the final design of this program.

#### **\*MCBPO: Manitoba Child Benefit phase out**

This parameter was removed as it is no longer required now that the regulations for the Manitoba Child Benefit have been released. There are separate phase out income thresholds depending on the number of children in the family. The program now uses the separate

reduction rates based on the number of children instead of one phase out income threshold.

**\*MPRDESC: Description of tax/transfer parameter file**

This parameter was removed as it was replaced by MPRDESCE and MPRDESCF, allowing both English and French descriptions of the parameter file.

## Variable Guide

This section includes descriptions of all new variables introduced in version 16.0. Variables which have been deleted, or whose interpretations have changed, are also described and are identified in this section by a preceding asterisk.

### **MODIFIED VARIABLES**

**\*imdedft: Deductions from total income**

The definition of this variable has changed since the previous release. It now includes the elected split-pension income amount transferred to a spouse (impentrd).

**\*imictot: Total income (line 150)**

The definition of this variable has changed since the previous release. To match tax forms, the value of the taxable amount of pension income (imipnst) was replaced with total pension income (idipens) plus elected split-pension income amount (impentr).

**\*imitot: Total income**

The definition of this variable has changed since the previous release. To match tax forms, the value of the taxable amount of pension income (imipnst) was replaced with total pension income (idipens) plus elected split-pension income amount (impentr).

**\*impfp: Provincial family programs**

The definition of this variable has changed since the previous release. It now includes the amount for the Newfoundland and Labrador Progressive Family Growth Benefit (imnpf gb) and the Parental Support Benefit (imnpsb).

**\*impoth: Provincial other government income**

The definition of this variable has changed since the previous release. It now includes the amount for the B.C. Climate Action Dividend (imclimdv), the Ontario Textbook and Technology Grant (imotxtgr) and the Ontario Senior Homeowners' Property Tax Grant (imoshtpg).

**\*imptc: Refundable provincial tax credits**

The definition of this variable has changed since the previous release. It now includes the amount for the B.C. Low Income Climate Action Tax Credit (imcatc) and the Quebec Adapted Work Premium for disabled refundable tax credit (imqawrkpr).

**\*imqedft: Quebec deductions from total income**

The definition of this variable has changed since the previous release. It now includes the elected split-pension income amount transferred to a spouse (imqpentrd).

**\*imqitot: Quebec total income**

The definition of this variable has changed since the previous release. To match tax forms, the value of the taxable amount of pension income (imqipnst) was replaced with total pension income (idipens) plus elected split-pension income amount (imqpentr).

**\*idocc: Occupation**

In previous releases, this item was based on the 1991 National Occupation Classification codes. It is now based on the 2001 National Occupation Classification system. Occupation refers to the occupation of the person's main job during the reference year.

**NEW VARIABLES**

**ctpcar: Provincial carbon tax**

This analysis variable contains the value of provincial carbon tax associated with the household's disposable income and consumption pattern. It is a specific rate tax.

**ctpcar\_: Provincial carbon tax [array]**

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

**idalhrs: Total Paid Hours of Work Last Year (imputed)**

Total hours paid at all jobs during the reference year. Note that this information is only collected for persons aged 16-69.

Source:

SLID

**idise: Total self-employment income**

Total hours paid at all jobs during the reference year. Note that this information is only collected for persons aged 16-69.

Source:

SLID

**idseqino: SLID Individual Identifier (Original)**

Original cross-sectional random individual identifier found on the SLID public-use microdata file. Note that because of household duplication processes used in creating the database, the same identifier may be found on more than one individual.

Source:

SLID

**imcatc: B.C. Climate Action Tax Credit**

This variable contains the amount for the British Columbia Low Income Climate Action Tax Credit (see CCATCFLG). It is added to refundable provincial tax credits (imptc).

**imcgtcp: Dependent Caregiver Tax Credit Amount**

This represents an individuals' potential value that may be claimed by a caregiver for the federal caregiver tax credit. It is only calculated when CGTCFLG is turned on and CGTCOPT is set to 3.

**imclimdv: B.C. Climate Action Dividend**

This variable contains the amount for the British Columbia Climate Action Dividend (CCLIMDIV). It is added to provincial other government income (impoth).

**immftb: Manitoba Family Tax Benefit**

This variable records the amount of Manitoba Family Tax Benefit, an additional non-refundable tax credit that replaces the Manitoba family tax reduction program. The calculated value of the credit is added to imptaxcr.

**immndc: Manitoba number of dependent children aged 18 and younger**

This variable records the number of dependent children aged 18 or younger in Manitoba. This variable is used in the Manitoba Family Tax Benefit, the Manitoba family tax reduction program and the Manitoba Surtax calculations.

**imnpfgb: Newfoundland Progressive Family Growth Benefit**

This variable contains the value of the Newfoundland and Labrador Progressive Family Growth Benefit. This amount is also added to provincial family programs (impfp). See NPFGB for program details.

**imnpsb: Newfoundland Parental Support Benefit**

This variable contains the value of the Newfoundland and Labrador Parental Support Benefit. This amount is also added to provincial family programs (impfp). See NPSB for program details.

**imondc: Ontario number of dependent children aged 18 and younger**

This variable records the number of dependent children aged 18 or younger in Manitoba. This variable is used in the Manitoba Family Tax Benefit, the Manitoba family tax reduction program and the Manitoba Surtax calculations.

**imoshptg: Ontario Senior Homeowners' Property Tax Grant**

The variable contains the value of the Ontario Senior Homeowners' Property Tax Grant, which is added to provincial other government income (impoth). See OSHPTGFLG for details of this program.

**imotxtgr: Ontario Textbook and Technology Grant**

The variable contains the value of the Ontario Textbook and Technology Grant, which is added to provincial other government income (impoth). See OTXTGRANT for details of this grant.

**impcgtcp: Provincial Dependent Caregiver Tax Credit Amount**

This represents an individuals' potential value that may be claimed by a caregiver for the provincial caregivers tax credit. It is only calculated when the province's tax on taxable income flag is turned on and the caregivers calculation option is set to 3.

See each province's parameters for more details.

**impentr: Pension income transferred from spouse**

This variable represents the value of elected split-pension income to be claimed by the transferee in the calculation of total income. When SPLTPNSFLAG is turned off, this variable is equal to 0. When it is turned on, it represents the value of pension income transferred from a spouse after pension income splitting. See SPLTPNSFLAG for more details.

**impentrd: Pension income deduction from transfer to spouse**

This variable represents the value of elected split-pension income to be deducted by the pensioner in the calculation of deductions from total income (imdedft). When SPLTPNSFLAG is turned off, this variable is equal to 0. When it is turned on, it represents the value of pension income transferred to a spouse after pension income splitting. See SPLTPNSFLAG for more details.

**imqawrkpr: Quebec Adapted Work Premium for disabled**

This variable contains the refundable Adapted Work Premium tax credit for individuals/families with disabilities. In two parent families, this will be granted to the spouse with the higher net income. It is used only when the Quebec Adapted Work Premium is activated (QAWPFLAG set to 1) for 2008 and beyond. Families eligible for the Adapted Work Premium will not be eligible for the original Work Premium. This amount is added to imptc.

**imqhptcp: Quebec Home Parent Tax Credit potential level**

This is the calculated value of the dependent's Housing Parent tax credit, that may be claimed by the eligible caregiver in the economic family. It is only calculated when QHPTCOPT is set to 3.

**imqnctcp: Quebec Refundable Natural Caregivers Tax Credit potential level**

This is the calculated value of the dependent's Quebec Refundable Natural Caregivers tax credit. This amount may be claimed by an eligible caregiver in the economic family. This amount is only calculated when QRNCGOPT is set to 2.

**imqpentr: Quebec Pension income transferred from spouse**

This variable represents the value of elected split-pension income to be claimed by the

transferee in the calculation of total income. When QSPLTPNSFLAG is turned off, this variable is equal to 0. When it is turned on, it represents the value of pension income transferred from a spouse after pension income splitting. See QSPLTPNSFLAG for more details.

**imqpentrd: Quebec Pension income deduction from transfer to spouse**

This variable represents the value of elected split-pension income to be deducted by the pensioner in the calculation of deductions from total income (imqdedft). When QSPLTPNSFLAG is turned off, this variable is equal to 0. When it is turned on, it represents the value of pension income transferred to a spouse after pension income splitting. See QSPLTPNSFLAG for more details.

**DELETED VARIABLES**

**\*idcgless: Taxable capital gains on gifts (339)**

This variable was removed since there were not enough records on the database in order to impute taxable capital gains on gifts.

**\*idisefm: Self-employed income - farming**

A new variable for total self-employment income, idise, replaces idisefm (self-employment farming) and idisenf (self-employment non-farming).

**\*idisenf: Self-employed income - non-farming**

A new variable for total self-employment income, idise, replaces idisefm (self-employment farming) and idisenf (self-employment non-farming).

**Growth and Validation Guide**

**WEIGHT FILE UPDATES**

Updated demographic estimates were used for the weight files between 2003 and 2007.

**GROWTH UPDATES**

The database growth parameters were recalculated. From 1991 to 2007, growth parameters were adjusted to reflect the growth rates in the System of National Accounts. These adjustments were done provincially. Canada and Quebec Pension Plan benefits were adjusted using data from Human Resources Development Canada and reflect growth rates by age of recipient.

For 2008 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 SPSD/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 SPSD/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.