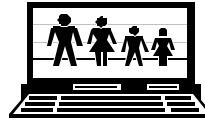




SPSD/M



Release 8.0 Update

This guide is designed to provide SPSPD/M users with new information relating to the release of Version 8.0 algorithms and software.

August 28, 2000



Statistics
Canada

Statistique
Canada

Canada

WARNING

This software is complex. It is designed to be easy to use. However, the institutions and programs it models are themselves complex. **It is thus easy 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 SPSPD/M has undergone subsequent to the version 7.0 release. This current release is called version 8.0 and users will note that the chapter headings in this Addendum correspond to guides in the manuals.

Users experiencing difficulties updating their black-box or glass-box applications to version 8.0 should contact Statistics Canada at (613) 951-3774.

This guide gives instructions pertaining to the installation of the SPSPD/M on your system. The SPSPD/M program and database files are stored in a compressed format. This means that the files are decompressed as part of the installation process. Be patient, installation time could be up to one-half hour.

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

RELATIONSHIP TO EXISTING DOCUMENTATION

This Addendum is a guide to the changes in SPSPD/M software between 7.0 and 8.0. This Addendum is intended to be used in conjunction with the other SPSPD/M Guides included as part of the 8.0 release. The information in this Addendum supersedes the information in the documentation released with version 7.0.

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

Before proceeding to our usual database adjustment, the original SCF weights were corrected by adjusting the distribution of wages and salaries on T4 distribution by province, and self-employment farm and non-farm earnings on T1 distribution by province. This solve the SCF over-representation in the middle income range and the under-representation of low incomes.

All microdata are now based on 1996. Population in 1996 adjusted to December 31. For all other years the growth rate of demographic estimates and projections at December 31 are applied to the SPSPD population in the base year. There is always a gap between population estimates and SPSPD population because of the autochthonous, the militaries, and the non-elderly institutionalised population.

TAX/TRANSFER ALGORITHMS

Parameter files updated through 1999 Tax forms and 2000 Budgets
Tax Algorithms updated through 1999 Tax forms and 2000 Budgets

Provincial tax on taxable income implemented
Quebec refundable tax credit for medical expenses
Newfoundland and Labrador Child Benefit

FACILITIES

Inequality measures now available
Parameter Update utility included with the release

LEGISLATIVE CHANGES MODELED

The changes in tax transfer legislation that have been incorporated into the SPSD/M 8.0 are detailed in this section.

Federal Changes

Budget 2000

Changes Modeled

- Capital gains inclusion rate reduced from three quarters to two thirds starting in March 2000.
- Canada Child Tax Benefit maximums increased by \$70 per child to rise to \$2,056 for the first child and \$1,853 for the second child on July 1, 2000
- The Canada Child Tax Benefit Supplement increased beyond indexation by \$200 per child on July 1, 2001
- The duration of EI parental leave will be increased from 10 weeks to 35 weeks for parents with a child born or adopted on or after December 31, 2000.
- Starting in 20001, the entrance requirements for maternity, parental, and sickness benefits decreased from 700 to 600 hours.
- Starting in 2000, EI premiums dropped from \$2.55 per \$100 of insurable earnings to \$2.40
- Full indexation of the personal income tax system. For 2000, the rate is equal to 1.4%.
- Middle tax rate reduced to 24% in July 2000
- Surtax threshold raised to \$18,500 as of July 1, 2000
- Reduced the 5% surtax rate to 4% in 2001

Provincial Changes

The changes reported in this section are derived from the 2000 provincial budgets.

Newfoundland

Changes Modeled

- Tax on taxable income introduced in 2001. In 2002 the province will move to the equivalent to 49% of basic personal tax.

Prince Edward Island

Changes Modeled

- The personal income tax rate for 2000 is reduced to 57.5% from 58.5%.
- In 2000, a non-refundable low income tax reduction is introduced. Filers can claim

\$250 for themselves, \$250 for their spouse or equivalent-to-spouse, and \$200 per child. It is reduced by 5% for taxable income over \$15,000.

- Tax on taxable income introduced in 2001. They will use the federal income thresholds and rates.

Nova Scotia

Changes Modeled

- Tax on taxable income introduced in 2000. Rates and brackets match 1999 amounts while the non-refundable tax credits will match the federal amounts for 2000.
- The Direct Assistance program will change in April 2000 so that it gives benefits exclusively to families with children
- The pharmacare credit is eliminated

New Brunswick

Changes Modeled

- Tax on taxable income starts in 2000. The brackets and rates will be equivalent to a rate of 57% under the old system

Quebec

Changes Modeled

- In 2000, the tax brackets will be \$26,000 and \$52,000. The tax rates will be 19%, 22.5%, and 25%. The rate for non-refundable tax credits is set to 22%.
- In 2001, the lowest tax rate drops to 18%. The rate for non-refundable tax credits is set to 21.5%.
- In 2002, the tax rates will be 17%, 22%, and 24%. The rate for non-refundable tax credits is set to 21%.
- The tax reduction rates for children with incomes over \$26,000 is 5% in 2000, 4% in 2001, and 3% in 2002.
- Starting in 2003, the tax system is fully indexed.
- The alternative minimum tax rate is set to 22% in 2000, 21.5% in 2001, and 21% in 2002.
- In 2000, the refundable tax credit for child care expenses is increased. The applicable rate will be 75% as long as income does not exceed \$27,000; rate will decrease by one percentage point for each \$1000 in income as long as income does not exceed \$75,000; 26% for income > \$75,000.
- The simplified tax system flat credit is set to \$2515 in 2000.
- In 2000, tax legislation will be amended to convert half of the tax credit granted in respect of amounts payable as contributions on pensionable self-employed earnings to the CPP or the QPP into a deduction in the calculation of income, and to apply this new deduction as well as the calculation of income under the simplified tax system and to the income used to determine the 1% contribution to the Health Service Fund payable by individuals.
- In the year 2000, the tax credit rate for gifts on the first \$2000 will be 22% and 25% for amounts in excess of \$2000. In 2001, the rates will be 21.5% and 25%. In 2002, the rates will be 21% and 24%.
- The capital gains inclusion rates is reduced from three-quarters to two-thirds.

- Quebec incorporates some of the measures in the Federal budget
- The tax credit for adults housing their parents is changed in such a way that “qualified parents” also includes a longer list of relatives.

Ontario

Changes Modeled

- Introduction of the Taxpayer Dividend, every Ontarian who paid personal income tax (including surtax) to Ontario for 1999 (after deducting the Ontario Tax Reduction and foreign tax credits) will receive a dividend of up to \$200 each. A minimum rebate of \$25 would be paid to taxpayers with personal income tax greater than \$1 and up to \$25.
- Introduction of a new benefit for single parents as part of the Ontario Child Care Supplement for Working Families in July 2000. This change increases the maximum annual benefit by \$210 for each child under 7 in single-parent families. Benefits are reduced by 8% of family net income in excess of \$20,000. The current earning threshold and reduction rates by number of eligible children are the same as previously.
- Tax on Taxable income is introduced in 2000. It will be fully indexed. Starting on July 1, 2000, there will be two brackets (\$30,004 and \$60,009) and three tax rates (6.2%, 9.24%, and 11.16%).
- Starting in July 2000, the surtax will be calculated as 20% of Ontario income tax in excess of \$3,466 plus 36% of Ontario income tax in excess of \$4,373. For the 2000 tax year, the surtax would equal 20% of Ontario income tax in excess of \$3,561 plus 36% of income tax in excess of \$4,468.
- Starting in July 2000, the basic reduction under the Ontario tax reduction program will be \$152 and the supplement for each dependent child aged 18 or under and each dependent with a disability will be \$309. For the 2000 taxation year, the basic reduction under the Ontario Tax Reduction program would be \$156 and the supplement for each dependent child age 18 or under and each dependant with a disability would be \$317.
- The capital gains inclusion rate in Ontario will be reduced to 62% in 2001.
- In 2000, the dividend tax credit is set to 38.5% of the federal credit.
- The Alternative minimum tax in Ontario will be calculated as a proportion of the additional tax attributable to the federal alternative minimum tax calculation. In 2000, the proportion is equal to 37.5%, in 2001 the proportion is equal to 36.5%.

Manitoba

Changes Modeled

- The minimum property tax credit is raised by \$75 from \$250 to \$325. The maximum is also raised by \$75 from \$525 to \$600 and from \$625 to \$700 for seniors.
- Tax on taxable income is implemented in 2000 with three rates (8%, 12.22%, 13.63%) and two brackets (\$29,590, \$59,180).
- In 2001, the tax brackets become \$30,544 and \$61,089 while the tax rates become 10.9%, 16.2%, and 17.5%.
- The following net non-refundable tax credits will rise above the federal amounts in

2001: the basic tax credit (\$802), the spouse or equivalent-to-spouse tax credit (\$265), the age tax credit (\$392), the disability tax credit (476), the caregiver tax credit (265) and the infirm dependents tax credit (265).

- In 2001 the tax reduction is modified. Income is offset by 1% instead of 2%, the amount for each child will rise from \$250 to \$300, the amount for persons with a disability or for those supporting such a person will rise to \$300, the basic amount, amount for spouse or equivalent, and the age amount become \$225.

- The surtax and net income tax are eliminated in 2001.

- In 2002, the second bracket falls to 15.6% and the second threshold rises to \$65,000.

- The dividend tax credit will be equal to 6.27% in 2000, 6.0% in 2001, and 5.0% in 2002.

Saskatchewan

Changes Modeled

- Tax on taxable income is introduced in 2001. The flat tax, debt reduction surtax, and high income surtax are eliminated. There will be two brackets (\$30,000 and \$60,000) and three rates (11.5%, 13.5%, and 16%). The basic and spousal amounts will be \$8,000, the new child amount will be \$1,500, and the new senior supplement will be \$500.

- In 2002, the tax rates change to 11.25%, 13.25%, and 15.5%. The child amount will be \$2,000 and the senior supplement will be \$750.

- In 2003, the tax rates will be 11%, 13%, and 15%. The tax brackets are \$35,000 and \$100,000. The child credit will be equal to \$2,500 and the senior supplement will be equal to \$1,000. Starting in 2003, the personal tax credits and income brackets will be indexed.

- A new sales tax credit is introduced in April, 2000. Its maximum is set to \$77 for adults and equivalents, and \$55 for children. It is introduced and reduced at a 1% with various turndowns.

- The flat tax is reduced from 2% to 1% on July 1, 2000.

Alberta

Changes Modeled

- The 8% deficit elimination surtax is eliminated in 2000.

- Tax on taxable income is implemented in 2001. There is a single tax rate of 10.5%, basic, spousal, and equivalent-to-spouse exemptions increased to \$12,900. Full indexation of the tax system.

- A 10% cost of living adjustment is made to the Alberta Seniors Benefit on April 1, 2000.

British Columbia

Changes Modeled

- Tax on taxable income implemented in 2000. The two brackets are \$30,004 and \$60,009 and the three tax rates are 8.4%, 12.4%, and 14.4%. The personal and spousal amounts get increased by \$300.

- Starting in 2001, the tax brackets and most non-refundable tax credits are indexed

by the provincial inflation rate.

- In 2001, surtaxes are eliminated. The personal credit is increased to \$8,000. The spousal credits are increased to \$6,850. There are 4 tax brackets and 5 tax rates. The brackets are equal to \$30,335, \$60,670, \$70,000, and \$85,000 (assuming inflation of 1.8%). The tax rates are equal to: 8.4%, 11.9%, 16.7%, 18.7%, and 19.7%.

COMTAX

Changes Modeled

-GST rebate on new rental property

- Improvement of the rebate (36%) of tax paid in respect of a new residential unit in Quebec. The cost threshold in which the rebate begins to decrease will increase from \$175,000 to \$200,000, and the cost at which the rebate is completely phased out will increase from \$200,000 to \$225,000 which results in a maximum rebate of roughly \$5,642.

- Changes relating to the reduction of the specific duty and tax applicable to beer sold by microbreweries in Quebec.

- In Ontario, phase out the Retail Sales Tax on motor vehicle insurance premiums by one point per year until it is fully eliminated. Effective May 2000, it will be reduced to 4% with a further 1% reduction each April 1 until it is fully phased out by April 1, 2004.

- In Ontario, phase out the rate of sales tax applied to repairs and replacements made under warranty. Effective May 2000, the rate is reduced to 6%. The rate will be further reduced to 4% effective April 1, 2001, 2% effective April 1, 2002, 1% effective April 1, 2003 and phased out by April 1, 2004.

- Educational CD-ROMS exempt from RST in Ontario

- The tobacco tax on cigarettes will increase from 8.0 cents to 8.6 cents per cigarette; on fine-cut tobacco, from 5.3 cents per gram to 7.3 cents per gram; on raw leaf tobacco, from 4 cents per gram to 6 cents per gram in Manitoba

- The \$900 limit on the Fuel tax rebate for farm-use gasoline is eliminated, effectively eliminating provincial taxation of farm-use fuel in Saskatchewan

- Extension of the current Fuel Tax exemption for propane sold by weight in cylinders from 20 pounds or less to 100 pounds or less in Saskatchewan

- Introduction of the ethanol incentive which will rebate a portion of the fuel tax to the fuel wholesaler on eligible ethanol blended fuel produced and consumed in Saskatchewan

- The tax rate on cut tobacco increased from 5.7 cents per gram to 7.7 cents per gram. The tax rate on cigars is also adjusted in Saskatchewan

- E&H tax expended to include repair services, computer services, real estate fees, non-prescription drugs, maintenance contracts, bedding plants, pet food, dry cleaning, veterinary fees, security services, credit bureau/collection services and telephone answering services in Saskatchewan

- The E&H tax base expanded to include professional services, building services, advertising services, and employment services in Saskatchewan

- Dealers of new and used vehicles will be permitted to deduct the value of vehicle trade-ins in determining the E&H tax base on vehicle sales. Used vehicles will be

subject to E&H tax with a \$3000 deduction applied against the sales price in Saskatchewan

- Status Indian purchases off-reserve will be subject to the E&H tax in Saskatchewan
- Exemption for natural gas used in compressors to inject acid gas into depleted wells provided in British Columbia
- Exemption on farm and aquaculturists inputs in BC

32-BIT ENVIRONMENT

The 16-bit environment is no longer supported. This means that users will have to have either Windows 95/98 or Windows NT to be able to use the model and all associated tools contained in this release package.

PRINTED DOCUMENTATION

Version 8.0 is being shipped with only three printed guides: the Installation Guide, the Introduction and Overview and the Addendum. All guides can be accessed on-line using the included windows help file. The directory "/Doc" on the CD-ROM contains a printable version of all Guides for those users who wish printed versions of the other guides. These are PDF files and can be read on-line or printed using the Adobe Acrobat reader. The Adobe Acrobat reader can be installed from the /Doc directory on the CD-ROM. The self-extracting installation programs are called ar32e30.exe.

Once you have installed Adobe Acrobat on your system you can simply navigate to the \Doc directory on the CD-ROM using the File Manager or Explorer. Find the guide you wish to view or print and double-click it. Adobe will start up and open the file you selected.

Installation Guide

Release 8.0 is disseminated on one CD-ROM or can be downloaded from the Internet World Wide Web. The CD-ROM contains information for both the SPSD/M 8.0 as well as for the on-line documentation.

Prior to installation of Release 8.0 it is **strongly** recommended that you either remove any existing \spsm directory from your system or rename it to \spsm70. If you wish to keep running the old version of SPSM, you should also rename the \spsd directory to \spsd70. SPSD/M 8.0 should be installed in new \spsm and \spsd directories. Version 8.0 has a \spsm directory structure that allows for ONLY a 32-bit operating system such as Windows NT or Windows 95/98. The executable files are placed in the \spsm\win32 directory, and no files are written to the old \spsm\bin directory. If you were using the 16-bit version it may be necessary to change your PATH environment variable to include \spsm\win32.

Install the SPSD/M 8.0 CD-ROM using the same general procedure described in the *Installation Guide*. Please read the entire installation guide and follow the instructions that apply to your system and the version of the model that you wish to install. The packages contained on the CD-ROM supersede the contents of the 7.0

package and upon installation will overwrite the 7.0 files if left in the default directory. The install.exe program on the CD-ROM should be run to perform the installation of the new version of the model.

Directory names may now be longer than 8 characters as the install.exe program has been converted to a 32-bit environment.

VERSION 8.0 PACKAGE CONTENTS

This section describes each package in the installation kit. The SPSPD/M version 8.0 installation kit contains the following packages:

| Package Name | Function | Directory |
|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| SPSM | The package contains all the executable programs and language-specific dialogue files. It also contains a directory of example control parameter include files described in the SPSPD/M manuals. | \spsm |
| SPSD(5%) | This package contains the 5% sub-sample demographic weight files for the years 1984 through 2003. | \spsd |
| PARAMETERS | This package contains the control, database adjustment, and tax/transfer parameter files. Also included is the factors.txt file that contains the growth factors used to statically age the SPSPD. | \spsd |
| GLASS_BOX | This package includes all necessary files, including template files for standard and alternate algorithms, for the 'glass box' user. Please see the <u><i>Programmer's Guide</i></u> for information on using SPSM in 'glass box' mode. | \spsm |
| SPSD(100%) | This package contains demographic weight files for 1984 through 2003. | \spsd |
| HELP | This package contains on-line documentation. This documentation will only work under Windows NT or Windows 95/98. | \spsm |

ON-LINE DOCUMENTATION INSTALLATION

The SPSPD/M documentation is now installed as a package within the main SPSPD/M installation. The documentation will ONLY work for Windows NT or Windows 95/98. The English version of the help file is called spsme.hlp and found in the spsm folder. Use the help facilities by navigating to the proper directory (e.g. by using the Explorer) and double clicking on the spsme.hlp file.

User's Guide

A completely new section presents the inequality measures. The inequality measures are activated when the distributional analysis function is activated (DISTFLAG = 1, and all the required parameters set) and the INEQFLAG is also set to 1. The user can select up to 10 different measures.

The underlying function used to produce the measures is developed by Duclos, Jean-Yves and Martin, Tabi (1996), "Linear *Inequality Measures and the Redistribution of Income*", Cahier de recherche 96-08, CRÉFA, Université Laval. It is a two parameters class of linear inequality measures, the Generalized GINI. If v is the social preference and q produce symmetric weights around its value, for $0 < q < 1$ then the weights $k(p)$ are:

$$k(p) = \frac{v(v+1)|q-p|(v-1)}{q(v+1) + (v+q)(1-q)v}$$

Those weights are applied to the difference between an equal cumulative income distribution and the actual cumulative income distribution for p , the cumulative population distribution.

The interesting aspect of this measure is its ability to reproduce the GINI when v is set to 1, the S-GINI index when q is set to 1.

In this measure, all the weights are symmetric around q . When v is lower than one, the weight structure is more like a pyramid centered at q , and is a V or U shape centered at q when v is greater than one. For more information, see the User's Guide.

The cpr file includes the following values for INEQMEASURE, corresponding respectively to q and v :

- 0.5 1 : This is the GINI Coefficient and the associated Foster-Wolfson Polarization Index is automatically generated
- 1.0 0.5: The S-GINI with progressively more weights put on high income.
- 1.0 1.5: The S-GINI with progressively less weight put on high income.

As a special feature, the weight distribution can be centered at the population share corresponding to the median income by setting q to 99. Usually, the first parameter is between 0 and 1, including those two values.

For more information look in User's GuideUD_1 \Distributional Analysis Facility\Measures of inequality and polarization of income distribution

Tools User's Guide

COMPPARM: THE PARAMETER COMPARISON FACILITY

The maximum number of parameters which can be compared has been increased to 2000.

IMPORT

A new option, -s, was added in order to provide consistent behaviour for the SPSPD/M tables. When the flag is turned on, the column headers are truncated so that they always take the same amount of space. In this way, adding a new variable to a table will not cause the table in the csv file to shift.

SPSMITER: SPSM GOAL SEEKING FACILITY

The code was changed so that spsmiter works under Windows 98.

PUPDATE: SPSM PARAMETER UPDATE FACILITY

The parameter update facility (pupdate) is now included with the default release of the model. This facility allows users to change the value of the growth factors used in creating the tax transfer parameters (*.mpr) as well as the database adjustment factors (*.apr). New growth factors can also be created. Please refer to the [Tools User's Guide](#) for more details.

Programmer's Guide

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

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.)

Note that the conversion from the C language to C++ has meant that the headers of all the files have changed and that the glass box code is now contained in *.cpp files.

OVERVIEW OF ALGORITHM CHANGES

Federal

Two modules were renamed: sa becomes samod and fa becomes famod.

The stock option deduction, capital gains exemption, and other business losses have the appropriate Capital Gains inclusion rate applied to them.

The caregiver tax credit code was redesigned.

Women on UI/EI maternity now also get parental benefits.

UI training can be turned off or transformed into regular benefits.

Taxable RRSP withdrawals (iditrrsp) were imputed on the database.

Provincial

Tax on taxable income was added to all the provinces with the exception of Quebec

Newfoundland and Labrador Child Benefit

PEI low income tax reduction

Nova Scotia Direct Assistance was modified

Quebec Refundable medical expenses tax credit

Quebec gifts

Quebec self-employed

Ontario Child Care supplement for single parents

Ontario Taxpayer Dividend

Manitoba Homeowner Assistance is modelled

Saskatchewan Sales Tax Credit

CHANGES BY FUNCTION

drv Tax/transfer calculator

The child tax benefit module (txctc) is now being calculated before provincial taxes (txprov) so that provincial programs have the ability to use the federal child tax benefit.

The family allowance module fa has been renamed famod.

The social assistance module sa has been renamed samod.

famod Compute family allowance

The family allowance module fa has been renamed famod.

Additions were made to the code for The Quebec Allowance for Newborn Children to reflect the phase out of this program. This program provides an allowance to be paid at the birth of a child provided the birth occurred prior to 1 October 1997. The amount of the allowance also depends on the rank of the child within the family. The phase out is activated by QNBPOFLAG. If the child's age is equal to the difference between TARGETYEAR and QNBPOYR, and the month of birth, which is proxied by comparing a random number to QNBPOPYPYR, is determined to be in October or later, then the child is ineligible for the allowance.

gis Compute GIS/SPA for elderly

Taxable RRSP withdrawals (iditrrsp) was included in the calculation of income.

gist Compute Provincial GIS top-ups for elderly

Taxable RRSP withdrawals (iditrrsp) was included in the calculation of income.

memo1 Compute memo items for reporting

The Newfoundland Child Benefit (imncb) was included in Provincial Family Programs (impfp).

samod Compute social assistance

The social assistance module sa has been renamed samod.

senben Compute Seniors Benefit for elderly

Taxable RRSP withdrawals (iditrrsp) was included in the calculation of income.

txalta Compute provincial taxes for Alberta

The method in which the tax on taxable income is modelled in Alberta has been modified. When the tax on taxable income flag is turned on (ATXFLG), a provincial tax table (APTX) is applied on taxable income (imitax) in order to get the gross provincial tax (imprvtax). Non-refundable tax credits are calculated using the non-refundable tax credit rate (APNTRC) and are applied against gross provincial tax in order to get the basic provincial income tax (imbpt).

The non-refundable credits which are calculated are:

| | | |
|----------|----------------------------------------------|----------------------------------------------|
| impbtc | Basic amount | (ABXM) |
| impatxc | Age amount tax credit | (AAXM, AAXRR, AAXTD, AAXPI) |
| impmartc | Married and equivalent-to-married tax credit | (AMXM, AMXMT, AEMXM, AEMXMT) |
| impcgtc | Caregiver tax credit | (ACGTC, ACGTCFLG, ACGTCTC, ACGTCTD, ACGTCTK) |
| impchrtc | Charitable donations | (ACHATL1, ACHATR1, ACHATR2) |
| impcpptc | CPP/QPP contribution | |
| impdistc | Disability tax credit | (AMAXDX) |
| impdtxc | Dividend tax credit | (ADTCR) |
| impedtxc | Education tax credit | (AEDXPM, AMAXET) |
| impmedtc | Medical expenses tax credit | |
| imppentc | Pension income tax credit | (AYPNDL) |
| imptutxc | Tuition Tax credit | (AMAXET) |
| impuictc | EI contributions tax credit | |

The option to apply a minimum tax is controlled using AAMTOPT.

txbc Compute provincial taxes for B.C.

The 2000 budget announced that British Columbia would convert to a tax on taxable income starting in 2000. When the tax on taxable income flag is turned on (CTXFLG), a provincial tax table (CPTX) is applied on taxable income (imitax) in order to get the gross provincial tax (imprvtax). Non-refundable tax credits are calculated using the non-refundable tax credit rate (CPNTPCR) and are applied against gross provincial tax in order to get the basic provincial income tax (imbpt).

The non-refundable credits which are calculated are:

| | | |
|----------|----------------------------------------------|----------------------------------------------|
| impbtc | Basic amount | (CBXM) |
| impatxc | Age amount tax credit | (CAXM, CAXRR, CAXTD, CAXPI) |
| impmartc | Married and equivalent-to-married tax credit | (CMXM, CMXMT, CEMXM, CEMXMT) |
| impcgtc | Caregiver tax credit | (CCGTC, CCGTCFLG, CCGTCTC, CCGTCTD, CCGTCTK) |
| impchrtc | Charitable donations | (CCHATL1, CCHATR1, CCHATR2) |
| impcpptc | CPP/QPP contribution | |
| impdistc | Disability tax credit | (CMAXDX) |
| impdtxc | Dividend tax credit | (CDTCR) |
| impedtxc | Education tax credit | (CEDXPM, CMAXET) |
| impmedtc | Medical expenses tax credit | |
| imppentc | Pension income tax credit | (CYPNDL) |
| imptutxc | Tuition Tax credit | (CMAXET) |
| impuictc | EI contributions tax credit | |

The option to apply a minimum tax is controlled using CAMTOPT.

The calculations of the British Columbia Family Bonus were modified to include the National Child Benefit Supplement in the calculation. The B.C. Basic Family Bonus is reduced by the amount of the National Child Benefit Supplement received. When BCFBIFS is flagged on, the calculated family bonus is reduced by the amount of the calculated combined Family Bonus and National Child Benefit, which is determined by first calculating the basic benefit depending on the number of children (BCFBNCS1, BCFBNCS2, and BCFBNCS3). This amount is then reduced when family net income exceeds BCFBNCSSTD. The applicable income reduction rates also depend on the number of children in the family (BCFBNCSRR1, BCFBNCSRR2, BCFBNCSRR3).

txcalc Compute federal income tax

Starting with version 8.0, the database imputes the gross amount stock option deduction (idstkded). The net amount (imstkded) is calculated using the capital gains inclusion rate (CAPGIR) and is used in the calculation of the alternative minimum tax.

The forward averaging tax credit (idfdfatc) is no longer imputed due to a paucity of records.

The net adjusted income used for the alternate minimum tax (imamtinc) is saved as a modelled variable. When the provinces calculate their tax on taxable income, they may use this variable while calculating their own minimum tax.

The method for calculating the caregivers tax credit was modified. The algorithm now calculates the potential amount for dependents that can be claimed by relatives providing in-home care (imcgtcp). The credit (imcgtc) is the sum of these potential amounts. Census family children are now able to use their caregivers tax credit when calculating their taxes.

The tax credit for infirm dependants age 18 or older was added (imothpe).

A modification was added to the code so that the Quebec tax abatement is taken into account when deriving the amount of foreign income tax credit (imfortxc).

txctc **Compute child tax credit**

When QCBCFLG is activated, Quebec has a specialized Child Tax Benefit system in place, which takes into account the number and ages of the children. If this flag is set to 0, the federal amount is used.

txfstx **Compute federal sales tax credit**

The parameter GSTAXM was created to replace the previously used BXM in the calculation of the additional GST credit for single persons and lone parents. As of 1999, the basic personal exemption used in this calculation no longer matches the basic personal supplement.

The parameter GSTCTUNC was created to allow users to apply a take up rate to the application and receipt of the GST credit based on the number of children in the family.

txinet **Compute net income**

Starting with version 8.0, the database imputes the gross amount of allowable business losses (idiloss). The net amount (imiloss) is calculated using the capital gains inclusion rate (CAPGIR).

Taxable RRSP withdrawals (iditrsp) was included in the calculation of income (imitot).

Other employment expenses (imalexp) are deducted in the calculation of total income (imitot) when ALEXDEDFLG is set to 0, and are deducted in the calculation of net income (iminet) when ALEXDEDFLG is set to 1.

Take up rates for contributions to CPP/QPP were added for those individuals who have received some CPP/QPP income as well as some earned income. The take up rates are based on employment earnings (idiemp, idisenf, idisefm) and represent the proportion who should still contribute to the CPP based on their earnings (ie, their CPP income does not come from their own pension (retirement or disability) but rather from survivors or children's benefits). There are separate rates based on the age of the individual. CPPLT60 is used for the 18 to 59 age group, CPP60T64 for the 60 to 64 age group and CPPGT64 is the take up rate for the 65 to 70 age group. CPP/QPP contributions are no longer being deducted from individuals under the age of 18 and over the age of 70.

txitax Compute taxable income and individual credits

Starting with version 8.0, the database imputes the gross amount of capital gains exemption (idcapgex), stock option deduction (idstkded), and allowable business loss (idiloss). The net amounts (imcapgex, imstkded, imiloss) are calculated using the capital gains inclusion rate (CAPGIR).

The amount for infirm dependants age 18 or older (imothpe) is calculated as a tax credit as opposed to a deduction.

txman Compute provincial taxes for Manitoba

The ability to compute Manitoba taxes on taxable income was added. When the tax on taxable income flag is turned on (MTXFLG), a provincial tax table (MPTX) is applied on taxable income (imitax) in order to get the gross provincial tax (imprvtax). Non-refundable tax credits are calculated using the non-refundable tax credit rate (MPNTRC) and are applied against gross provincial tax in order to get the basic provincial income tax (imbpt).

The non-refundable credits which are calculated are:

| | | |
|----------|----------------------------------------------|----------------------------------------------|
| impbtc | Basic amount | (MBXM) |
| impatxc | Age amount tax credit | (MAXM, MAXRR, MAXTD, MAXPI) |
| impmartc | Married and equivalent-to-married tax credit | (MMXM, MMXMT, MEMXM, MEMXMT) |
| impcgtc | Caregiver tax credit | (MCGTC, MCGTCFLG, MCGTCTC, MCGTCTD, MCGTCTK) |
| impchrtc | Charitable donations | (MCHATL1, MCHATR1, MCHATR2) |
| impcpctc | CPP/QPP contribution | |

| | | |
|----------|-----------------------------|------------------|
| impdistc | Disability tax credit | (MMAXDX) |
| impdtxc | Dividend tax credit | (MDTCR) |
| impedtxc | Education tax credit | (MEDXPM, MMAXET) |
| impmedtc | Medical expenses tax credit | |
| imppentc | Pension income tax credit | (MYPNDL) |
| imptutxc | Tuition Tax credit | (MMAXET) |
| impuictc | EI contributions tax credit | |

The option to apply a minimum tax is controlled using MAMTOPT.

When MHMASOPT is set to 1, the Manitoba Homeowners Assistance (immhmas) is modelled. Any family with non-zero property taxes (improptx) is assumed to have had the minimum amount of assistance (MPMINC) taken off as a deduction from their municipal property tax statement.

When the option is set to 2, immhmas is set to the database variable (idhomstu).

The homeowners assistance is then used in order to compute property taxes in Manitoba.

The parameter MTRNIOS was created to reflect the change in the net income offset percentage for the Manitoba Tax Reduction program which is to be implemented in 2001.

txnb Compute provincial taxes for New Brunswick

The 2000 budget announced that New Brunswick would convert to a tax on taxable income starting in 2000. When the tax on taxable income flag is turned on (BTXFLG), a provincial tax table (BPTX) is applied on taxable income (imitax) in order to get the gross provincial tax (imprvtax). Non-refundable tax credits are calculated using the non-refundable tax credit rate (BPNTCR) and are applied against gross provincial tax in order to get the basic provincial income tax (imbpt).

The non-refundable credits which are calculated are:

| | | |
|----------|----------------------------------------------|----------------------------------------------|
| impbtc | Basic amount | (BBXM) |
| impatxc | Age amount tax credit | (BAXM, BAXRR, BAXTD, BAXPI) |
| impmartc | Married and equivalent-to-married tax credit | (BMXM, BMXMT, BEMXM, BEMXMT) |
| impcgctc | Caregiver tax credit | (BCGTC, BCGTCFLG, BCGTCTC, BCGTCTD, BCGTCTK) |
| impchrtc | Charitable donations | (BCHATL1, BCHATR1, BCHATR2) |
| impcpptc | CPP/QPP contribution | |
| impdistc | Disability tax credit | (BMAXDX) |

| | | |
|----------|-----------------------------|------------------|
| impdtxc | Dividend tax credit | (BDTCR) |
| impedtxc | Education tax credit | (BEDXPM, BMAXET) |
| impmedtc | Medical expenses tax credit | |
| imppentc | Pension income tax credit | (BYPNDL) |
| imptutxc | Tuition Tax credit | (BMAXET) |
| impuictc | EI contributions tax credit | |

The option to apply a minimum tax is controlled using BAMTOPT.

txnfld **Compute provincial taxes for Newfoundland**

The 2000 budget stated that Newfoundland would convert to a tax on taxable income starting in 2001. When the tax on taxable income flag is turned on (NTXFLG), a provincial tax table (NPTX) is applied on taxable income (imitax) in order to get the gross provincial tax (imprvtax). Non-refundable tax credits are calculated using the non-refundable tax credit rate (NPNTCR) and are applied against gross provincial tax in order to get the basic provincial income tax (imbpt).

The non-refundable credits which are calculated are:

| | | |
|----------|----------------------------------------------|----------------------------------------------|
| impbtc | Basic amount | (NBXM) |
| impatxc | Age amount tax credit | (NAXM, NAXRR, NAXTD, NAXPI) |
| impmartc | Married and equivalent-to-married tax credit | (NMXM, NMXMT, NEMXM, NEMXMT) |
| impcgtc | Caregiver tax credit | (NCGTC, NCGTCFLG, NCGTCTC, NCGTCTD, NCGTCTK) |
| impchrtc | Charitable donations | (NCHATL1, NCHATR1, NCHATR2) |
| impcpptc | CPP/QPP contribution | |
| impdistc | Disability tax credit | (NMAXDX) |
| impdtxc | Dividend tax credit | (NDTCR) |
| impedtxc | Education tax credit | (NEDXPM, NMAXET) |
| impmedtc | Medical expenses tax credit | |
| imppentc | Pension income tax credit | (NYPNDL) |
| imptutxc | Tuition Tax credit | (NMAXET) |
| impuictc | EI contributions tax credit | |

The option to apply a minimum tax is controlled using NAMTOPT.

The Newfoundland and Labrador Child Benefit was introduced in the 1998 provincial budget and is now modeled. The Newfoundland and Labrador Child Benefit (imncb) is a tax-free monthly payment to help low-income families with the cost of raising children under age 18. Benefits from this program are combined with the Canada Child Tax Benefit into a single monthly payment. The program was implemented in

July 1999. This benefit is turned by NCBFLG. Under the Newfoundland and Labrador Child Benefit program, you may be entitled to receive a benefit of NCB1 for the first child, NCB2 for the second child, NCB3 for the third child, and NCB4 for each additional child. The benefit is reduced when net family income is greater than NCBTD and is completely phased out when net family income is at least NCBPO. The benefit (imnbc) is assigned to the mother if present.

A modification was made to the calculation of the venture capital tax credit (idvencap). Further protection against negative numbers was added.

txns Compute provincial taxes for Nova Scotia

The 2000 budget announced that Nova Scotia would convert to a tax on taxable income starting in 2000. When the tax on taxable income flag is turned on (VTXFLG), a provincial tax table (VPTX) is applied on taxable income (imitax) in order to get the gross provincial tax (imprvtax). Non-refundable tax credits are calculated using the non-refundable tax credit rate (VPNTCR) and are applied against gross provincial tax in order to get the basic provincial income tax (imbpt).

The non-refundable credits which are calculated are:

| | | |
|----------|----------------------------------------------|----------------------------------------------|
| impbtc | Basic amount | (VBXM) |
| impatxc | Age amount tax credit | (VAXM, VAXRR, VAXTD, VAXPI) |
| impmartc | Married and equivalent-to-married tax credit | (VMXM, VMXMT, VEMXM, VEMXMT) |
| impcgtc | Caregiver tax credit | (VCGTC, VCGTCFLG, VCGTCTC, VCGTCTD, VCGTCTK) |
| impchrtc | Charitable donations | (VCHATL1, VCHATR1, VCHATR2) |
| impcpptc | CPP/QPP contribution | |
| impdistc | Disability tax credit | (VMAXDX) |
| impdtxc | Dividend tax credit | (VDTCR) |
| impedtxc | Education tax credit | (VEDXPM, VMAXET) |
| impmedtc | Medical expenses tax credit | |
| imppentc | Pension income tax credit | (VYPNDL) |
| imptutxc | Tuition Tax credit | (VMAXET) |
| impuictc | EI contributions tax credit | |

The option to apply a minimum tax is controlled using VAMTOPT.

Beginning in 2000, direct assistance is only granted to families with children. The parameter VDAFWC is used to activate this limitation. A correction to the spousal net income concept for direct assistance was also implemented.

The Nova Scotia Child Benefit was changed to reflect the implementation of the

family net income phase out of VCBPO.

Changes were made to the Nova Scotia Pharmacare program in 1999. The premium is waived for seniors on Guaranteed Income Supplement and may be reduced for other seniors with low-income. The refundable tax credit was also eliminated.

The code was also modified to ensure that the tax reduction program did not exceed the provincial taxes payable prior to the application of the tax reduction.

txont Compute provincial taxes for Ontario

The 2000 budget announced that Ontario would convert to a tax on taxable income starting in 2000. When the tax on taxable income flag is turned on (OTXFLG), a provincial tax table (OPTX) is applied on taxable income (imitax) in order to get the gross provincial tax (imprvtax). Non-refundable tax credits are calculated using the non-refundable tax credit rate (OPNTR) and are applied against gross provincial tax in order to get the basic provincial income tax (imbpt).

The non-refundable credits which are calculated are:

| | | |
|----------|----------------------------------------------|----------------------------------------------|
| impbtc | Basic amount | (OBXM) |
| impatxc | Age amount tax credit | (OAXM, OAXRR, OAXTD, OAXPI) |
| impmartc | Married and equivalent-to-married tax credit | (OMXM, OMXMT, OEMXM, OEMXMT) |
| impcgtc | Caregiver tax credit | (OCGTC, OCGTCFLG, OCGTCTC, OCGTCTD, OCGTCTK) |
| impchrtc | Charitable donations | (OCHATL1, OCHATR1, OCHATR2) |
| impcpptc | CPP/QPP contribution | |
| impdistc | Disability tax credit | (OMAXDX) |
| impdtxc | Dividend tax credit | (ODTCR) |
| impdtxc | Education tax credit | (OEDXPM, OMAXET) |
| impmedtc | Medical expenses tax credit | |
| imppentc | Pension income tax credit | (OYPNDL) |
| imptutxc | Tuition Tax credit | (OMAXET) |
| impuictc | EI contributions tax credit | |

The option to apply a minimum tax is controlled using OAMTOPT.

The parameter OCWISSP was added to reflect the Ontario Budget 2000 announcement of the new single parent's benefit as part of the Ontario Child Care Supplement for Working Families. This new benefit increases the amount of benefits available to single parents of children under the age of 7, effective July 2000.

The taxpayer dividend (imotxdv) announced in the 2000 Budget was implemented. It is equal to taxes paid in the previous year up to a maximum (OTXDVMAX). People who paid over 0\$ in taxes would get a minimum rebate of OTXDVMIN. The benefit is included in refundable tax credits of 2000. Since it is based on the previous year's taxes, the taxes are multiplied by OPYTAX in order to estimate the lagged effect. The value of this parameter was estimated by the SPSPD/M team as taxes in 1999 over taxes in 2000.

The Ontario capital gains inclusion rate, as announced in the 2000 Budget, effective for 2001, was implemented. At the time of the budget announcement, the legislation for the implementation of the capital gains inclusion rate for Ontario had not been finalized. It is assumed that the taxable income for the purpose of Ontario tax would be reduced by the difference in the amount of capital gains calculated as per federal rules and the amount that should be deemed taxable under Ontario rules (OCAPGIR). This implementation is activated by the flag OCGIRFLG and is only valid when OTXFLG is also activated.

txpei Compute provincial taxes for P.E.I.

The 2000 budget announced that PEI would convert to a tax on taxable income starting in 2001. When the tax on taxable income flag is turned on (PTXFLG), a provincial tax table (PPTX) is applied on taxable income (imitax) in order to get the gross provincial tax (imprvtax). Non-refundable tax credits are calculated using the non-refundable tax credit rate (PPNTR) and are applied against gross provincial tax in order to get the basic provincial income tax (imbpt).

The non-refundable credits which are calculated are:

| | | |
|----------|----------------------------------------------|----------------------------------------------|
| impbtc | Basic amount | (PBXM) |
| impatxc | Age amount tax credit | (PAXM, PAXRR, PAXTD, PAXPI) |
| impmartc | Married and equivalent-to-married tax credit | (PMXM, PMXMT, PEMXM, PEMXMT) |
| impcgtc | Caregiver tax credit | (PCGTC, PCGTCFLG, PCGTCTC, PCGTCTD, PCGTCTK) |
| impchrtc | Charitable donations | (PCHATL1, PCHATR1, PCHATR2) |
| impcpptc | CPP/QPP contribution | |
| impdistc | Disability tax credit | (PMAXDX) |
| impdtxc | Dividend tax credit | (PDTCR) |
| impedtxc | Education tax credit | (PEDXPM, PMAXET) |
| impmedtc | Medical expenses tax credit | |
| imppentc | Pension income tax credit | (PYPNDL) |
| imptutxc | Tuition Tax credit | (PMAXET) |
| impuictc | EI contributions tax credit | |

The option to apply a minimum tax is controlled using PAMTOPT.

The Low Income Tax Reduction Program, announced in the 2000 Budget and effective as of January 1, 2000, has been implemented. This program will provide tax savings for low income families and individuals. The maximum Low Income Tax Reduction is equal to the sum of a base amount (PTRBAS), an amount for a spouse or equivalent-to-spouse (PTRSP), and an amount for each dependent child (PTRKID). It is then reduced for net income over PTRTD at a rate of PTRRR. The reduction cannot be more than taxes owing. The reduction is calculated at a family level but can be split amongst spouses.

A modification was made to the political contributions tax credit in order to ensure that the correct value would always be applied against taxes owing.

txqcalc Compute income tax (Quebec)

The refundable tax credit for medical expenses is now modeled. When QMRTCFLG is assigned to 1, the Quebec refundable tax credit for medical expenses (imqmedrc) is calculated for persons aged 18 and over who had employment related earnings greater than QMEDRMIN. The maximum refundable credit will be the lesser of QMEDRMAX and QMEDRATE percent of eligible medical expenses (imqmeda). It is reduced by QMEDRRR percent of net family income in excess of QMEDRTD. When QMRTCFLG is assigned to 0, the calculation of the Quebec refundable tax credit for medical expenses is suppressed.

The improved tax system for self employed workers in Quebec was added. This improved system was announced in the Quebec 2000 Budget to enable the increasing number of self-employed workers to benefit from the simplified tax form. This system will standardize the tax treatment applicable to that part of the contribution paid by a worker in respect of pensionable self-employed earnings that could be equated with an employer's contribution, and refrain from excluding a growing number of self-employed workers from the simplified tax system. When activated (QITSFSEW = 1), it will result in a conversion of QITSSEF of the tax credit granted in respect of amounts payable as contributions on pensionable self-employed earnings to the CPP/QPP into a deduction in the calculation of income. This new deduction will be applied to the calculation of income under the simplified tax system and to the income used to determine the contribution to the Health Services Fund payable by individuals. The calculated amount of the contributions to be converted is held in imqcppse.

Starting with version 8.0, the database imputes the gross amount of capital gains exemption (idcapgex), stock option deduction (idstkded), and allowable business loss (idiloss). The net amounts (imqcapgx, imqstkdd, imqiloss) are calculated using the capital gains inclusion rate (QCAPGIR).

The charitable donations tax credit (imqchartc) was renamed (imqchatc) in order to be under 8 characters long.

The parameter QEEXPDED was applied to employment expenses. Beginning in 1998, employment expenses are no longer considered as a deduction but are used to reduce employment income.

Additions were made to the Family Allowance Tax Credit to account for the phasing out of the extra supplement for large families with children under 6 born before August 1, 1997. To determine a child's eligibility, TARGETYEAR is compared with QFATCK6YR for children under the age of 6. If this difference is less than the child's age, or if this difference is equal to the child's age and a generated random number is less than the proportion of the year that occurs before August 1 (QFATCK6PYR), then the child would be eligible.

The Family Allowance Tax Credit code was also modified to include the high income turndown as a separate parameter (QFATCHITD) with its own reduction rate (QFATCHIRR). This resulted in the restructuring of the lookup table used to determine the appropriate income turndowns and reduction rates for families with net income less than QFATCHITD. The lookup table QFATCK6 was restructured to represent all the benefit amounts per family structure (number of children by number of children under 6 years of age).

Modifications were made to the code for the refundable tax credit for Child Care Expenses to incorporate the earned income test in the calculation of this credit.

The method used to calculate income for the tax reduction (imqei) was modified. The refundable tax credit code was restructured. Persons receiving social assistance no longer receive the refundable sales tax credit (imqstr) since this assistance is included in their benefit (imisa). The method in which the credit is calculated for census family children over the age of 17 was modified.

The incorporation of the Housing Parents tax credit (imqhsfc) into total refundable tax credits (imptc) was fixed.

The Quebec Family Tax Reduction (imqftr) was rewritten in order to get the proper split of the credit between spouses.

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

The maximum amount of non-refundable credit which can be claimed on behalf of the child (imqcchc) is now saved. It is used in the calculation of the refundable sales tax credit (imqstr).

The number of dependent children (imqndc) is calculated whether QREFOPT is set to 1 or 2.

txqinet **Compute net income (Quebec)**

The improved tax system for self employed workers in Quebec was added. When activated by QITSFSEW, it will result in a conversion of QITSSEF of the tax credit

granted in respect of amounts payable as contributions on pensionable self-employed earnings to the CPP/QPP into a deduction in the calculation of income. This new deduction will be applied to the calculation of income under the simplified tax system and to the income used to determine the contribution to the Health Services Fund payable by individuals.

The parameter QSFSMXI was added to represent the maximum value of spouse's income used in the worksheet that determines which tax form to use, the simplified or general tax form.

Starting with version 8.0, the database imputes the gross amount of capital gains exemption (idcapgex), stock option deduction (idstkded), and allowable business loss (idiloss). The net amounts (imqcapgx, imqstkdd, imqiloss) are calculated using the capital gains inclusion rate (QCAPGIR).

The parameter QEEXPDED was applied to employment expenses. Beginning in 1998, employment expenses are no longer considered as a deduction but are used to reduce employment income.

Taxable RRSP withdrawals (iditrresp) was included in the calculation of income.

txqitax Compute taxable income and individual credits (Quebec)

The income concept (QMEDINC) used in the calculation of the refundable tax credit for medical expenses (imqmedrc) was added.

Beginning in 2000, there are two tax credit rates applied to gifts in Quebec. The activation flag, QGIFTHCR, is used to implement the calculation. Allowable gifts up to QGIFTL1 use the QNTCR. The higher credit rate QGFTCR is applied to allowable gifts over QGIFTL1. The total value of the tax credit is imqchatc.

The improved tax system for self employed workers in Quebec was added. This results in the conversion of QPP/PPP contributions by self employed workers to a deduction in the calculation of income. This new deduction will be applied to the calculation of income under the simplified tax system and to the income used to determine the contribution to the Health Services Fund payable by individuals.

Starting with version 8.0, the database imputes the gross amount of capital gains exemption (idcapgex), stock option deduction (idstkded), and allowable business loss (idiloss). The net amounts (imqcapgx, imqstkdd, imqiloss) are calculated using the capital gains inclusion rate (QCAPGIR).

The charitable donations tax credit (imqchartc) was renamed (imqchatc) in order to be under 8 characters long.

The parameter QEEXPDED was applied to employment expenses. Beginning in 1998, employment expenses are no longer considered as a deduction but are used to reduce employment income.

txsask Compute provincial taxes for Saskatchewan

The 2000 budget announced that Saskatchewan would convert to a tax on taxable income starting in 2001. When the tax on taxable income flag is turned on (STXFLG), a provincial tax table (SPTX) is applied on taxable income (imitax) in order to get the gross provincial tax (imprvtax). Non-refundable tax credits are calculated using the non-refundable tax credit rate (SPNTPCR) and are applied against gross provincial tax in order to get the basic provincial income tax (imbpt).

The non-refundable credits which are calculated are:

| | | |
|----------|----------------------------------------------|----------------------------------------------|
| impbtc | Basic amount | (SBXM) |
| impatxc | Age amount tax credit | (SAXM, SAXRR, SAXTD, SAXPI) |
| impmartc | Married and equivalent-to-married tax credit | (SMXM, SMXMT, SEMXM, SEMXMT) |
| impcgtc | Caregiver tax credit | (SCGTC, SCGTCFLG, SCGTCTC, SCGTCTD, SCGTCTK) |
| impchrtc | Charitable donations | (SCHATL1, SCHATR1, SCHATR2) |
| impcpptc | CPP/QPP contribution | |
| impdistc | Disability tax credit | (SMAXDX) |
| impdtxc | Dividend tax credit | (SDTCR) |
| impedtxc | Education tax credit | (SEDXPM, SMAXET) |
| impmedtc | Medical expenses tax credit | |
| imppentc | Pension income tax credit | (SYPNDL) |
| imptutxc | Tuition Tax credit | (SMAXET) |
| impuictc | EI contributions tax credit | |
| imsctxc | Saskatchewan Non-refundable child tax credit | (SCNTC) |
| imssstxc | Saskatchewan senior supplement tax credit | (SSSTC) |

The option to apply a minimum tax is controlled using SAMTOPT.

The Saskatchewan Sales Tax Credit announced in their 2000 Budget is now modelled. The Saskatchewan Sales Tax Credit is activated when SSTCFLAG is set to 1.

The Saskatchewan Sales Tax Credit was introduced in 2000 and became effective April 1, 2000 to offset the effect of sales taxes on lower income earners. SSTCPI represents the phase in rate for the program. The Saskatchewan Sales Tax Credit (imsstc) will consist of an adult component and a child component. This credit will be fully refundable and is assigned to the spouse with the higher income.

The adult component of the Saskatchewan Sales Tax Credit will rise at a rate of

SSTCBASPIR of individual net income up to a maximum (SSTCBAS). It will be reduced at a rate of SSTCRR as family net income increases above SSTCBASTD. An individual will also be eligible for SSTCSP in additional benefits for a dependent spouse or equivalent. This amount will be reduced at a rate of SSTCRR as family net income rises over SSTCSPTD.

The child component of the Saskatchewan Sales Tax Credit will provide an additional SSTCKID per child. For two-parent families, the maximum child component will be SSTCKID + SSTCKID. For single parent families, the first child will be eligible for the adult benefit of SSTCSP and the maximum child component will be SSTCKID. The child component of the Credit will be reduced at a rate of SSTCRR as family net income rises over SSTC1KIDTD for families with one qualifying child. For families with more than one qualifying child, the Credit will be reduced at a rate of SSTCRR as family net income rises over SSTC2KIDTD.

Unused code was removed in order to make the remaining code clearer.

ui Compute ui benefits

When calculating the maximum number of weeks of benefits available, women on maternity leave (ucbtyp = 3) who also received parental benefits (ucgotpa = 1) get the number parental leave weeks (UIMAXPARWKS) added to the maximum maternity leave weeks (UIMAXMATWKS).

A new variable ucmtyp was added to the database. It represent the type of claim in which the majority of weeks were spent. This is in contrast to ucbytyp which is the original type of claim established. By turning on the flag UIEIMTYPLG, the type of claim modelled becomes ucmtyp.

By turning off UIETRNLFLAG, training benefits are no longer imputed. When the flag is turned off and UIETRNLREGFLG is turned on, the weeks of training benefits become weeks of regular benefits. This was done to address the transitional nature of 1996. The database includes half a year of training benefits and half a year of the new benefits which replaced them. These new benefits are modelled as regular benefits.

Taxable RRSP withdrawals (iditrrsp) was included in the calculation of income when deciding the number of dependants in the family.

Parameter Guide

This section describes new parameters as well as conceptual changes that have occurred to SPSM tax/transfer parameters. Parameters which have been deleted, or whose interpretations have changed, are identified in this section by a preceding asterisk. As of this release the 1999 model parameters fully reflect the 1999 tax forms.

CONTROL PARAMETERS

INEQFLAG : Inequality Measures Facility Activation Flag

This parameter activates the calculation of inequality measures. Up to 10 different inequality measures can be produced.

The underlying function used to produce the measures is developed by Duclos, Jean-Yves and Martin, Tabi (1996), "Linear *Inequality Measures and the Redistribution of Income*", Cahier de recherche 96-08, CRÉFA, Université Laval. It is a two parameter class of linear inequality measure, the Generalized GINI. If v is the social preference and q produce symmetric weights around its value, for $0 < q < 1$ then the weights $k(p)$ are:

$$k(p) = \frac{v(v+1)|q-p|(v-1)}{q(v+1) + (v+q)(1-q)v}$$

Those weights are applied to the difference between an equal cumulative income distribution and the actual cumulative income distribution for p , the cumulative population distribution.

The interesting aspect of this measure is its ability to reproduce the GINI when v is set to 1, the S-GINI index when q is set to 1.

In this measure, all the weights are symmetric around q . When v is lower than one, the weights structure is more like a pyramid centered at q , and is a V or U shape centered at q when v is greater than one. For more information, see the User's Guide.

INEQMEASURE: Type of Inequality Measure [social preference, centre of weight distribution]

The calculation of an Inequality Measure is activated by setting INEQFLAG to 1.

The underlying function used to produce the measures is developed by Duclos, Jean-Yves and Martin, Tabi (1996), "Linear *Inequality Measures and the Redistribution of Income*", Cahier de recherche 96-08, CRÉFA, Université Laval. It is a two parameters class of linear inequality measures, the Generalized GINI. If v is the social preference and q produce symmetric weights around its value, for $0 < q < 1$ then the weights $k(p)$ are:

$$k(p) = \frac{v(v+1)|q-p|(v-1)}{q(v+1) + (v+q)(1-q)v}$$

Those weights are applied to the difference between *an equal cumulative income distribution and the actual cumulative income distribution* for p, the cumulative population distribution.

The interesting aspect of this measure is its ability to reproduce the GINI when v is set to 1, the S-GINI index when q is set to 1.

In this measure, all the weights are symmetric around q. When v is lower than one, the weights structure is more like a pyramid centered at q, and is a V or U shape centered at q when v is greater than one.

Up to 10 different inequality measures can be computed with INEQMEASURE. The first parameter is v, the second q. As a special case when q is set to 99.0 the inequality measure is centered at the population share of the median income.

For more information, see the User's [GuideUD_1](#).

ADJUSTMENT PARAMETERS

***GFFDFATC: Growth Factor: Forward averaging tax credit (478)**

There were not enough records on the database in order to impute the forward averaging tax credit.

TAX/TRANSFER PARAMETERS

AAMTOPT: Alberta Alternative Minimum Tax Option

When Alberta tax on taxable income is calculated (ATXFLG = 1), there are three options as to how to calculate the provincial minimum tax.

When AAMTOPT is set to 1, then no provincial alternative minimum tax is calculated.

When AAMTOPT is set to 2, then a percentage (AAMTPCTF) of the additional federal tax due to the minimum tax is added to the basic provincial tax (imbpt).

When AAMTOPT is set to 3, the income used in the provincial tax calculation is replaced by the net income used for alternative tax purposes (imamtinc) for people who triggered the federal minimum tax. Then the AAMTTX rate, usually set to the smallest non-zero tax rate, is applied in order to get the provincial tax before the non-refundable tax credits.

AAMTPCTF: Alberta Amount Rate as pct of Additional Fed Tax due to Minimum Tax

When Alberta tax on taxable income is calculated (ATXFLG=1) and AAMTOPT is set to 2, then a percentage (AAMTPCTF) of the additional federal tax due to the minimum tax is added to the basic provincial tax (imbpt).

AAMTTX: Alberta Amount Rate as Tax on Adjusted Income

When Alberta tax on taxable income is calculated (ATXFLG=1) and AAMTOPT is set to 3, the income used in the provincial tax calculation is replaced by the net income used for alternative tax purposes (imamtinc) for people who triggered the federal minimum tax. Then the AAMTTX rate, usually set to the smallest non-zero tax rate, is applied in order to get the provincial tax before the non-refundable tax credits.

AAXM: Alberta Age Amount

This is the maximum value of the Alberta age non-refundable tax credit before any reductions are applied. The parameter is only used when a provincial tax on taxable income is calculated (ATXFLG = 1).

AAXPI: Alberta Age Amount Phase In Rate

This value is used to scale the amount of the reduction which will be applied to the provincial age tax credit. The parameter is only used when the Alberta provincial tax on taxable income is calculated (ATXFLG = 1).

See also impatxc, AAXM, AAXRR, and AAXTD.

AAXRR: Alberta Age Amount Credit Reduction Rate

This parameter is the proportion of net income above a given threshold (AAXTD) which will be deducted from the provincial non-refundable age tax credit amount (AAXM). The parameter is only used when the Alberta provincial tax on taxable income is calculated (ATXFLG = 1).

See also impatxc, AAXTD, AAXPI.

AAXTD: Alberta Age Amount Net Income Turndown

When Alberta tax on taxable income is calculated (ATXFLG = 1), there are three options as to how to calculate the provincial minimum tax.

When AAMTOPT is set to 1, then no provincial alternative minimum tax is calculated.

When AAMTOPT is set to 2, then a percentage (AAMTPCTF) of the additional federal tax due to the minimum tax is added to the basic provincial tax (imbpt).

When AAMTOPT is set to 3, the income used in the provincial tax calculation is replaced by the net income used for alternative tax purposes (imamtinc) for people who triggered the federal minimum tax. Then the AAMTTX rate, usually set to the smallest non-zero tax rate, is applied in order to get the provincial tax before the non-refundable tax credits.

ABXM: Alberta Basic Personal Exemption Amount

This parameter represents the basic exemption when Alberta tax is calculated as a tax on taxable income. It is only calculated when ATXFLG is set to 1.

ACGTC: Alberta Caregivers Tax Credit

ACGTC multiplied by APNTPCR is the maximum amount of the Alberta Caregiver Tax Credit (impcgtc). The parameter is only used when the provincial tax on taxable income is calculated (ATXFLG = 1).

For more explanation see ACGTCFLG.

ACGTCFLG: Alberta Caregivers Tax Credit Activation Flag

The calculation of the Alberta Caregiver Tax Credit (impcgtc) is activated by the flag ACGTCFLG.

The Caregiver Tax Credit (impcgtc) provides additional tax assistance to individuals who provide in-home care for relatives. Eligible recipients include individuals residing with and providing in-home care for a parent or grandparent over 65 years of age, or for an infirm dependent relative.

This variable is the sum of modelled Caregiver Tax Credits for all dependants other than spouse. (Line 315 and Schedule 12 in the General Tax Guide)

The base level of the credit is ACGTC. Based on the results of a study pertaining to the presence of elderly parents within the economic family, a take-up rate ACGTCTC was determined. The take up rate is based on the age of a potential parent, assigned to individuals with idefrh = 3, according to SCF 1994 data. Users have access to a take-up rate ACGTCTK based on employment income to select the appropriate number of beneficiaries.

The benefit, impcgtc, is reduced for each dollar of net income, iminet, in excess of ACGTCTD.

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

ACGTCTC: Alberta Caregivers Tax Credit Take Up Rate by Age of Elderly [age,rate]

This is the first take-up rate used in the calculation of Alberta's impcgtc. It selects an individual with idefrh = 3 and assign him/her as a parent according to observed probability in SCF 1994. The probability is also based on idage.

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

ACGTCTD: Alberta Caregivers Tax Credit Turndown 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).

ACGTCTK: Alberta Caregivers Tax Credit Take Up Rate by Income Level [employment income, rate]

This is a take-up rate based on employment income for the Alberta non-refundable caregivers' tax credit. Users can set values to select the appropriate number of beneficiaries.

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

ACHATL1: Alberta Charitable Donations Amount Level 1

The level above which the proportion of Alberta Charitable Donations and Gifts to the Crown (imchara) may be claimed as a tax credit increases. The parameter is only used when the provincial tax on taxable income is calculated (ATXFLG = 1).

ACHATR1: Alberta Charitable Donations Tax Credit Rate 1

The proportion of charitable donations below the first level (ACHATL1) that may be claimed as a Alberta non-refundable tax credit. The parameter is only used when the provincial tax on taxable income is calculated (ATXFLG = 1).

ACHATR2: Alberta Charitable Donations Tax Credit Rate 2

The proportion of charitable donations above the first level (ACHATL1) that may be claimed as a Alberta non-refundable tax credit. The parameter is only used when the provincial tax on taxable income is calculated (ATXFLG = 1).

ADTCR: Alberta Dividend Tax Credit Rate

This is the proportion of taxable dividends received (imidivt) which will be given for the Alberta dividend tax credit (impdtxc). The parameter is only used when the provincial tax on taxable income is calculated (ATXFLG = 1).

AEDXPM: Alberta Education Amount Per Month

Dollar amount multiplied by number of eligible months to determine the Alberta education tax credit. The parameter is only used when the provincial tax on taxable income is calculated (ATXFLG = 1).

AEMXM: Alberta Equivalent to Married Amount

This parameter represents the equivalent to married tax credit when Alberta tax is calculated as a tax on taxable income. It is only calculated when ATXFLG is set to 1.

AEMXMT: Alberta Equivalent to Married Turndown Level

This parameter represents the provincial equivalent to married exemption turndown when Alberta tax is calculated as a tax on taxable income. It is only used when ATXFLG is set to 1. The reduction is calculated as the dependant's net income less the turndown AEMXMT.

ALEXDEDFLG: Other employment expenses deducted after total income calculation

When this flag is turned on, other employment expenses (imalexp) are included in the deductions from total income (imdedft) and are therefore deducted in the calculation of net income (iminet). When it is turned off, they are deducted in the calculation of total income (imitot).

AMAXDX: Alberta Maximum Disability Deduction Amount

This value represents the maximum Alberta non-refundable disability tax credit. It is given to all individuals with a positive value for imputed Disability Deduction (imdisex). The parameter is only used when the provincial tax on taxable income is calculated (ATXFLG = 1).

AMAXET: Alberta Maximum on Transfer of Education and Tuition Amount

The maximum dollar amount of the combined Alberta Education and Tuition Tax Credits that may be transferred between spouses or from a dependent to a supporting parent. The parameter is only used when the provincial tax on taxable income is calculated (ATXFLG = 1).

AMXM: Alberta Married Amount

This parameter represents the married tax credit when Alberta tax is calculated as a tax on taxable income. It is only calculated when ATXFLG is set to 1.

AMXMT: Alberta Married Amount Turndown Level

This parameter represents the provincial married exemption turndown when Alberta tax is calculated as a tax on taxable income. It is only used when ATXFLG is set to 1. The reduction is calculated as the dependant's net income less the turndown AMXMT.

APNTRC: Alberta Provincial Non-Refundable Tax Credit Rate

This single parameter sets the tax credit rate for all of the non-refundable tax credits in Alberta. Each tax credit is calculated separately and summed for a total credit. The parameter is only used when a provincial tax on taxable income is calculated (ATXFLG = 1).

APTIX: Alberta Provincial Tax Table [taxable income, basic provincial tax]

This table represents the Alberta tax curve used when calculating the tax on taxable income (ATXFLG = 1). The first column represents Taxable Income, the second represents the amount of Basic Provincial Tax payable at that level of taxable income, the third column represents the marginal tax rate for the interval between this and the next value in the table.

Only the first and third columns of the tax table need be specified. The second column is computed by the standard algorithm.

ATXFLG: Alberta Tax on Taxable Income Activation Flag

When this flag is turned on, Alberta taxes get calculated as a tax on taxable income instead of as a percentage of federal taxes.

***ATX: Alberta Flat tax option**

This variable was renamed to APTX to reflect changes to the calculation of provincial tax.

***ATXOPT: Alberta tax option (1=tax on basic federal tax/2=tax on taxable income)**

This variable was renamed to ATXFLG to reflect changes to the calculation of provincial tax.

AYPNDL: Alberta Pension Income Deduction Amount

This is the maximum dollar amount of pension income which may be claimed as a Alberta non-refundable tax credit. The parameter is only used when the provincial tax on taxable income is calculated (ATXFLG = 1).

BAMTOPT : New Brunswick Alternative Minimum Tax Option

When New Brunswick tax on taxable income is calculated (BTXFLG = 1), there are three options as to how to calculate the provincial minimum tax.

When BAMTOPT is set to 1, then no provincial alternative minimum tax is calculated.

When BAMTOPT is set to 2, then a percentage (BAMTPCTF) of the additional federal tax due to the minimum tax is added to the basic provincial tax (imbpt).

When BAMTOPT is set to 3, the income used in the provincial tax calculation is replaced by the net income used for alternative tax purposes (imamtinc) for people who triggered the federal minimum tax. Then the BAMTTX rate, usually set to the smallest non-zero tax rate, is applied in order to get the provincial tax before the non-refundable tax credits.

BAMTPCTF: New Brunswick Amount Rate as pct of Additional Fed Tax due to Minimum Tax

When New Brunswick tax on taxable income is calculated (BTXFLG=1) and BAMTOPT is set to 2, then a percentage (BAMTPCTF) of the additional federal tax due to the minimum tax is added to the basic provincial tax (imbpt).

BAMTTX: New Brunswick Amount Rate as Tax on Adjusted Income

When New Brunswick tax on taxable income is calculated (BTXFLG=1) and BAMTOPT is set to 3, the income used in the provincial tax calculation is replaced by the net income used for alternative tax purposes (imamtinc) for people who triggered the federal minimum tax. Then the BAMTTX rate, usually set to the smallest non-zero tax rate, is applied in order to get the provincial tax before the non-refundable tax credits.

BAXM: New Brunswick Age Amount

This is the maximum value of the New Brunswick age non-refundable tax credit before any reductions are applied. The parameter is only used when a provincial tax on taxable income is calculated (BTXFLG = 1).

BAXPI: New Brunswick Age Amount Phase In Rate

This value is used to scale the amount of the reduction which will be applied to the provincial age tax credit. The parameter is only used when the New Brunswick provincial tax on taxable income is calculated (BTXFLG = 1).

See also `impatxc`, `BAXM`, `BAXRR`, and `BAXTD`.

BAXRR: New Brunswick Age Amount Credit Reduction Rate

This parameter is the proportion of net income above a given threshold (`BAXTD`) which will be deducted from the provincial non-refundable age tax credit amount (`BAXM`). The parameter is only used when the New Brunswick provincial tax on taxable income is calculated (BTXFLG = 1).

See also `impatxc`, `BAXTD`, `BAXPI`.

BAXTD: New Brunswick Age Amount Net Income Turndown

Individual seniors will have their non-refundable age tax credit reduced if their net income is above the value of this parameter. The parameter is only used when the New Brunswick provincial tax on taxable income is calculated (BTXFLG = 1).

See also `impatxc`, `BAXRR`, `BAXPI`.

BBXM: New Brunswick Basic Personal Exemption Amount

This parameter represents the basic exemption when New Brunswick tax is calculated as a tax on taxable income. It is only calculated when BTXFLG is set to 1.

BCFBNCS1: B.C. Family Bonus National Child Supplement Amount for First Child

When `BCFBIFS` is flagged on, the Basic B.C. Family Bonus is reduced by the amount, if any, of the National Child Benefit Supplement received. This parameter represents the basic amount of the combined B.C. Family Bonus and National Child Supplement allowed for the first child in the family to be used in the calculation of the B.C. Family Bonus (`imibcfb`).

See also `BCFBNCSTD`, `BCFBNCSRR1`.

BCFBNCS2: B.C. Family Bonus National Child Supplement Amount for Second Child

When `BCFBIFS` is flagged on, the Basic B.C. Family Bonus is reduced by the amount, if any, of the National Child Benefit Supplement received. This parameter represents the basic amount of the combined B.C. Family Bonus and National Child

Supplement allowed for the second child in the family to be used in the calculation of the B.C. Family Bonus (imibcbf).

See also BCFBNCSTD, BCFBNCSRR2.

BCFBNCS3: B.C. Family Bonus National Child Supplement Amount for Third+ Child

When BCFBIFS is flagged on, the Basic B.C. Family Bonus is reduced by the amount, if any, of the National Child Benefit Supplement received. This parameter represents the basic amount of the combined B.C. Family Bonus and National Child Supplement allowed for the third and subsequent child in the family to be used in the calculation of the B.C. Family Bonus (imibcbf).

See also BCFBNCSTD, BCFBNCSRR3.

BCFBNCSRR1: B.C. Family Bonus NCS Reduction Rate for Families with 1 Child

When BCFBIFS is flagged on, the Basic B.C. Family Bonus is reduced by the amount, if any, of the National Child Benefit Supplement received. This parameter represents the income reduction rate to be applied to the calculated combined Family Bonus and National Child Benefit Supplement amount when family net income exceeds BCFBNCSTD, for families with one child.

See also BCFBNCS1.

BCFBNCSRR2: B.C. Family Bonus NCS Reduction Rate for Families with 2 Children

When BCFBIFS is flagged on, the Basic B.C. Family Bonus is reduced by the amount, if any, of the National Child Benefit Supplement received. This parameter represents the income reduction rate to be applied to the calculated combined Family Bonus and National Child Benefit Supplement amount when family net income exceeds BCFBNCSTD, for families with two children.

See also BCFBNCS2.

BCFBNCSRR3: B.C. Family Bonus NCS Reduction Rate for Families with 3+ Children

When BCFBIFS is flagged on, the Basic B.C. Family Bonus is reduced by the amount, if any, of the National Child Benefit Supplement received. This parameter represents the income reduction rate to be applied to the calculated combined Family Bonus and National Child Benefit Supplement amount when family net income exceeds BCFBNCSTD, for families with three or more children.

See also BCFBNCS3.

BCFBNCSTD: B.C. Family Bonus National Child Supplement Turndown

When BCFBIFS is flagged on, the Basic B.C. Family Bonus is reduced by the amount, if any, of the National Child Benefit Supplement received. This parameter represents the family net income turndown level used to calculate the combined Family Bonus and National Child Benefit Supplement. When family net income

exceeds this amount, the calculated bonus is reduced by BCFBNCSRR1 for families with one child, BCFBNCSRR2 for families with two children and by BCFBNCSRR3 for families with three or more children.

See also BCFBNCS1, BCFBNCS2, BCFBNCS3.

BCGTC: New Brunswick Caregivers Tax Credit

BCGTC multiplied by BPNTCR is the maximum amount of the New Brunswick Caregiver Tax Credit (impcgtc). The parameter is only used when the provincial tax on taxable income is calculated (BTXFLG = 1).

For more explanation see BCGTCFLG.

BCGTCFLG: New Brunswick Caregivers Tax Credit Activation Flag

The calculation of the New Brunswick Caregiver Tax Credit (impcgtc) is activated by the flag BCGTCFLG.

The Caregiver Tax Credit (impcgtc) provides additional tax assistance to individuals who provide in-home care for relatives. Eligible recipients include individuals residing with and providing in-home care for a parent or grandparent over 65 years of age, or for an infirm dependent relative.

This variable is the sum of modelled Caregiver Tax Credits for all dependants other than spouse. (Line 315 and Schedule 12 in the General Tax Guide)

The base level of the credit is BCGTC. Based on the results of a study pertaining to the presence of elderly parents within the economic family, a take-up rate BCGTCTC was determined. The take up rate is based on the age of a potential parent, assigned to individuals with idefrh=3, according to SCF 1994 data. Users have access to a take-up rate BCGTCTK based on employment income to select the appropriate number of beneficiaries.

The benefit, impcgtc, is reduced for each dollar of net income, iminet, in excess of BCGTCTD.

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

BCGTCTC: New Brunswick Caregivers Tax Credit Take Up Rate by Age of Elderly [age,rate]

This is the first take-up rate used in the calculation of New Brunswick's impcgtc. It selects an individual with idefrh = 3 and assign him/her as a parent according to observed probability in SCF 1994. The probability is also based on idage.

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

BCGTCTD: New Brunswick Caregivers Tax Credit Turndown 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).

BCGTCTK: New Brunswick Caregivers Tax Credit Take Up Rate by Income Level [employment income, rate]

This is a take-up rate based on employment income for the New Brunswick non-refundable caregivers' tax credit. Users can set values to select the appropriate number of beneficiaries.

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

BCHATL1: New Brunswick Charitable Donations Amount Level 1

The level above which the proportion of New Brunswick Charitable Donations and Gifts to the Crown (imchara) may be claimed as a tax credit increases. The parameter is only used when the provincial tax on taxable income is calculated (BTXFLG = 1).

BCHATR1: New Brunswick Charitable Donations Tax Credit Rate 1

The proportion of charitable donations below the first level (BCHATL1) that may be claimed as a New Brunswick non-refundable tax credit. The parameter is only used when the provincial tax on taxable income is calculated (BTXFLG = 1).

BCHATR2: New Brunswick Charitable Donations Tax Credit Rate 2

The proportion of charitable donations above the first level (BCHATL1) that may be claimed as a New Brunswick non-refundable tax credit. The parameter is only used when the provincial tax on taxable income is calculated (BTXFLG = 1).

BDTCR: New Brunswick Dividend Tax Credit Rate

This is the proportion of taxable dividends received (imidivt) which will be given for the New Brunswick dividend tax credit (impdtxc). The parameter is only used when the provincial tax on taxable income is calculated (BTXFLG = 1).

BEDXPM: New Brunswick Education Amount Per Month

Dollar amount multiplied by number of eligible months to determine the New Brunswick education tax credit. The parameter is only used when the provincial tax on taxable income is calculated (BTXFLG = 1).

BEMXM: New Brunswick Equivalent to Married Amount

This parameter represents the equivalent to married tax credit when New Brunswick tax is calculated as a tax on taxable income. It is only calculated when BTXFLG is set to 1.

BEMXMT: New Brunswick Equivalent to Married Turndown Level

This parameter represents the provincial equivalent to married exemption turndown when New Brunswick tax is calculated as a tax on taxable income. It is only used when BTXFLG is set to 1. The reduction is calculated as the dependant's net income less the turndown BEMXMT.

BMAXDX: New Brunswick Maximum Disability Deduction Amount

This value represents the maximum New Brunswick non-refundable disability tax credit. It is given to all individuals with a positive value for imputed Disability Deduction (imdisex). The parameter is only used when the provincial tax on taxable income is calculated (BTXFLG = 1).

BMAXET: New Brunswick Maximum on Transfer of Education and Tuition Amount

The maximum dollar amount of the combined New Brunswick Education and Tuition Tax Credits that may be transferred between spouses or from a dependent to a supporting parent. The parameter is only used when the provincial tax on taxable income is calculated (BTXFLG = 1).

BMXM: New Brunswick Married Amount

This parameter represents the married tax credit when New Brunswick tax is calculated as a tax on taxable income. It is only used when BTXFLG is set to 1.

BMXMT: New Brunswick Married Amount Turndown Level

This parameter represents the provincial married exemption turndown when New Brunswick tax is calculated as a tax on taxable income. It is only used when BTXFLG is set to 1. The reduction is calculated as the dependant's net income less the turndown BMXMT.

BPNTCR: New Brunswick Provincial Non-Refundable Tax Credit Rate

This single parameter sets the tax credit rate for all of the non-refundable tax credits in New Brunswick. Each tax credit is calculated separately and summed for a total credit. The parameter is only used when a provincial tax on taxable income is calculated (BTXFLG = 1).

BPTX: New Brunswick Provincial Tax Table [taxable income, basic provincial tax]

This table represents the New Brunswick tax curve used when calculating the tax on taxable income (BTXFLG = 1). The first column represents Taxable Income, the second represents the amount of Basic Provincial Tax payable at that level of taxable income, the third column represents the marginal tax rate for the interval between this and the next value in the table.

Only the first and third columns of the tax table need be specified. The second column is computed by the standard algorithm.

BTXFLG: New Brunswick Tax on Taxable Income Activation Flag

When this flag is turned on, New Brunswick taxes get calculated as a tax on taxable income instead of as a percentage of federal taxes.

BYPNDL: New Brunswick Pension Income Deduction Amount

This is the maximum dollar amount of pension income which may be claimed as a New Brunswick non-refundable tax credit. The parameter is only used when the provincial tax on taxable income is calculated (BTXFLG = 1).

CAMTOPT : B.C. Alternative Minimum Tax Option

When British Columbia tax on taxable income is calculated (CTXFLG = 1), there are three options as to how to calculate the provincial minimum tax.

When CAMTOPT is set to 1, then no provincial alternative minimum tax is calculated.

When CAMTOPT is set to 2, then a percentage (CAMTPCTF) of the additional federal tax due to the minimum tax is added to the basic provincial tax (imbpt).

When CAMTOPT is set to 3, the income used in the provincial tax calculation is replaced by the net income used for alternative tax purposes (imamtinc) for people who triggered the federal minimum tax. Then the CAMTTX rate, usually set to the smallest non-zero tax rate, is applied in order to get the provincial tax before the non-refundable tax credits.

CAMTPCTF: B.C Amount Rate as pct of Additional Fed Tax due to Minimum Tax

When British Columbia tax on taxable income is calculated (CTXFLG=1) and CAMTOPT is set to 2, then a percentage (CAMTPCTF) of the additional federal tax due to the minimum tax is added to the basic provincial tax (imbpt).

CAMTTX: B.C. Amount Rate as Tax on Adjusted Income

When British Columbia tax on taxable income is calculated (CTXFLG=1) and CAMTOPT is set to 3, the income used in the provincial tax calculation is replaced by the net income used for alternative tax purposes (imamtinc) for people who triggered the federal minimum tax. Then the CAMTTX rate, usually set to the smallest non-zero tax rate, is applied in order to get the provincial tax before the non-refundable tax credits.

CAXM: B.C. Age Amount

This is the maximum value of the British Columbia age non-refundable tax credit before any reductions are applied. The parameter is only used when a provincial tax on taxable income is calculated (CTXFLG = 1).

CAXPI: B.C. Age Amount Phase In Rate

This value is used to scale the amount of the reduction which will be applied to the provincial age tax credit. The parameter is only used when the Alberta provincial tax on taxable income is calculated (ATXFLG = 1).

See also `impatxc`, `AAXM`, `AAXRR`, and `AAXTD`.

CAXRR: B.C. Age Amount Credit Reduction Rate

This parameter is the proportion of net income above a given threshold (`CAXTD`) which will be deducted from the provincial non-refundable age tax credit amount (`CAXM`). The parameter is only used when the British Columbia provincial tax on taxable income is calculated (`CTXFLG = 1`).

See also `impatxc`, `CAXTD`, `CAXPI`.

CAXTD: B.C. Age Amount Net Income Turndown

Individual seniors will have their non-refundable age tax credit reduced if their net income is above the value of this parameter. The parameter is only used when the British Columbia provincial tax on taxable income is calculated (`CTXFLG = 1`).

See also `impatxc`, `CAXRR`, `CAXPI`

CBXM: B.C. Basic Personal Exemption Amount

This parameter represents the basic exemption when British Columbia tax is calculated as a tax on taxable income. It is only calculated when `CTXFLG` is set to 1.

CCGTC: B.C. Caregivers Tax Credit

`CCGTC` multiplied by `CPNTCR` is the maximum amount of the British Columbia Caregiver Tax Credit (`impcgtc`). The parameter is only used when the provincial tax on taxable income is calculated (`CTXFLG = 1`).

For more explanation see `CCGTCFLG`.

CCGTCFLG: B.C. Caregivers Tax Credit Activation Flag

The calculation of the British Columbia Caregiver Tax Credit (`impcgtc`) is activated by the flag `CCGTCFLG`.

The Caregiver Tax Credit (`impcgtc`) provides additional tax assistance to individuals who provide in-home care for relatives. Eligible recipients include individuals residing with and providing in-home care for a parent or grandparent over 65 years of age, or for an infirm dependent relative.

This variable is the sum of modelled Caregiver Tax Credits for all dependants other than spouse. (Line 315 and Schedule 12 in the General Tax Guide)

The base level of the credit is `CCGTC`. Based on the results of a study pertaining to the presence of elderly parents within the economic family, a take-up rate `CCGTCTC` was determined. The take up rate is based on the age of a potential

parent, assigned to individuals with idefrh=3, according to SCF 1994 data. Users have access to a take-up rate CCGTCTK based on employment income to select the appropriate number of beneficiaries.

The benefit, impcgtc, is reduced for each dollar of net income, iminet, in excess of CCGTCTD.

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

CCGTCTC: B.C. Caregivers Tax Credit Take Up Rate by Age of Elderly [age,rate]

This is the first take-up rate used in the calculation of British Columbia's impcgtc. It selects an individual with idefrh = 3 and assign him/her as a parent according to observed probability in SCF 1994. The probability is also based on idage.

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

CCGTCTD: B.C. Caregivers Tax Credit Turndown Income

This is the turn down income of the British Columbia Caregiver Tax Credit (impcgtc). For more explanation see CCGTCFLG.

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

CCGTCTK: B.C. Caregivers Tax Credit Take Up Rate by Income Level [employment income, rate]

This is a take-up rate based on employment income for the British Columbia non-refundable caregivers' tax credit. Users can set values to select the appropriate number of beneficiaries.

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

CCHATL1: B.C. Charitable Donations Amount Level 1

The level above which the proportion of British Columbia Charitable Donations and Gifts to the Crown (imchara) may be claimed as a tax credit increases. The parameter is only used when the provincial tax on taxable income is calculated (CTXFLG = 1).

CCHATR1: B.C. Charitable Donations Tax Credit Rate 1

The proportion of charitable donations below the first level (CCHATL1) that may be claimed as a British Columbia non-refundable tax credit. The parameter is only used when the provincial tax on taxable income is calculated (CTXFLG = 1).

CCHATR2: B.C. Charitable Donations Tax Credit Rate 2

The proportion of charitable donations above the first level (CCHATL1) that may be claimed as a British Columbia non-refundable tax credit. The parameter is only used when the provincial tax on taxable income is calculated (CTXFLG = 1).

CDTCR: B.C. Dividend Tax Credit Rate

This is the proportion of taxable dividends received (imidivt) which will be given for the British Columbia dividend tax credit (impdtxc). The parameter is only used when the provincial tax on taxable income is calculated (CTXFLG = 1).

CEDXPM: B.C. Education Amount Per Month

Dollar amount multiplied by number of eligible months to determine the British Columbia education tax credit. The parameter is only used when the provincial tax on taxable income is calculated (CTXFLG = 1).

CEMXM: B.C. Equivalent to Married Amount

This parameter represents the equivalent to married tax credit when British Columbia tax is calculated as a tax on taxable income. It is only calculated when CTXFLG is set to 1.

CEMXMT: B.C. Equivalent to Married Turndown Level

This parameter represents the provincial equivalent to married exemption turndown when British Columbia tax is calculated as a tax on taxable income. It is only used when CTXFLG is set to 1. The reduction is calculated as the dependant's net income less the turndown CEMXMT.

CMAXDX: B.C. Maximum Disability Deduction Amount

This value represents the maximum British Columbia non-refundable disability tax credit. It is given to all individuals with a positive value for imputed Disability Deduction (imdisex). The parameter is only used when the provincial tax on taxable income is calculated (CTXFLG = 1).

CMAXET: B.C. Maximum on Transfer of Education and Tuition Amount

The maximum dollar amount of the combined British Columbia Education and Tuition Tax Credits that may be transferred between spouses or from a dependent to a supporting parent. The parameter is only used when the provincial tax on taxable income is calculated (CTXFLG = 1).

CMXM: B.C. Married Amount

This parameter represents the married tax credit when British Columbia tax is calculated as a tax on taxable income. It is only used when CTXFLG is set to 1.

CMXMT: B.C. Married Amount Turndown Level

This parameter represents the provincial married exemption turndown when British Columbia tax is calculated as a tax on taxable income. It is only used when CTXFLG is set to 1. The reduction is calculated as the dependant's net income less

the turndown CMXMT.

CPNTR: B.C. Provincial Non-Refundable Tax Credit Rate

This single parameter sets the tax credit rate for all of the non-refundable tax credits in British Columbia. Each tax credit is calculated separately and summed for a total credit. The parameter is only used when a provincial tax on taxable income is calculated (CTXFLG = 1).

CPP60T64: CPP Contribution Take up rate (age 60-64) with CPP income and earnings[employment income, rate]

This is a take-up rate for contributions to CPP/QPP for individuals in the 60 to 64 age range who have received some CPP income (idicqp) as well as earned income (idiemp, idisenf, idisefm). The take up is based on employment income and represent the proportion who should still contribute to CPP/QPP based on their earnings. Special tabulations using the Green Book data were used to determine the proportions.

CPPGT64: CPP Contribution Take up rate (age 65+) with CPP income and earnings[employment income, rate]

This is a take-up rate for contributions to CPP/QPP for individuals over the age of 64 who have received some CPP income (idicqp) as well as earned income (idiemp, idisenf, idisefm). The take up is based on employment income and represent the proportion who should still contribute to CPP/QPP based on their earnings. Special tabulations using the Green Book data were used to determine the proportions.

CPPLT60: CPP Contribution Take up rate (under 60) with CPP income and earnings[employment income, rate]

This is a take-up rate for contributions to CPP/QPP for individuals under the age of 60 who have received some CPP income (idicqp) as well as earned income (idiemp, idisenf, idisefm). The take up is based on employment income and represent the proportion who should still contribute to CPP/QPP based on their earnings. Special tabulations using the Green Book data were used to determine the proportions.

CPTX: B.C. Provincial Tax Table [taxable income, basic provincial tax]

This table represents the British Columbia tax curve used when calculating the tax on taxable income (CTXFLG = 1). The first column represents Taxable Income, the second represents the amount of Basic Provincial Tax payable at that level of taxable income, the third column represents the marginal tax rate for the interval between this and the next value in the table.

Only the first and third columns of the tax table need be specified. The second column is computed by the standard algorithm.

CTXFLG: B.C. Tax on Taxable Income Activation Flag

When this flag is turned on, British Columbia taxes get calculated as a tax on taxable income instead of as a percentage of federal taxes.

CYPNDL: B.C. Pension Income Deduction Amount

This is the maximum dollar amount of pension income which may be claimed as a British Columbia non-refundable tax credit. The parameter is only used when the provincial tax on taxable income is calculated (CTXFLG = 1).

***FDFATCFLAG: Database variable(fdfatc) activation flag**

There were not enough records on the database in order to impute the forward averaging tax credit.

GSTAXM: GST Additional Credit Exemption

The amount of basic personal exemption used in the calculation of the GST additional credit for single persons and lone parents. In this calculation, the additional credit is the lesser of GSTAC is reduced by the rate GSTAR for family net income over the basic exemption. When GSTASPFLAG is set to 1, the maximum credit, GSTAC, is given to single parents.

GSTCTUNC: GST Credit Take Up Rate by Number of Children [#kids, rate]

This is a take-up rate for the GST Credit based on the number of eligible children in the family. A take up of 1.000 denotes that all eligible recipients (based on family net income) would still receive the credit. A value less than 1.000 would result in only that proportion still getting the credit and the remainder would not. The first column denotes the number of eligible children in the family where 3 represent 3 or more children. The second column represents the proportion that will receive the credit.

MAMTOPT: Manitoba Alternative Minimum Tax Option

When Manitoba tax on taxable income is calculated (MTXFLG = 1), there are three options as to how to calculate the provincial minimum tax.

When MAMTOPT is set to 1, then no provincial alternative minimum tax is calculated.

When MAMTOPT is set to 2, then a percentage (MAMTPCTF) of the additional federal tax due to the minimum tax is added to the basic provincial tax (imbpt).

When MAMTOPT is set to 3, the income used in the provincial tax calculation is replaced by the net income used for alternative tax purposes (imamtinc) for people who triggered the federal minimum tax. Then the MAMTTX rate, usually set to the smallest non-zero tax rate, is applied in order to get the provincial tax before the non-refundable tax credits.

MAMTPCTF: Manitoba Amount Rate as pct of Additional Fed Tax due to Minimum Tax

When Manitoba tax on taxable income is calculated (MTXFLG=1) and MAMTOPT is set to 2, then a percentage (MAMTPCTF) of the additional federal tax due to the minimum tax is added to the basic provincial tax (imbpt).

MAMTTX: Manitoba Amount Rate as Tax on Adjusted Income

When Manitoba tax on taxable income is calculated (MTXFLG=1) and MAMTOPT is set to 3, the income used in the provincial tax calculation is replaced by the net income used for alternative tax purposes (imamtinc) for people who triggered the federal minimum tax. Then the MAMTTX rate, usually set to the smallest non-zero tax rate, is applied in order to get the provincial tax before the non-refundable tax credits.

MAXM: Manitoba Age Amount

This is the maximum value of the Manitoba age non-refundable tax credit before any reductions are applied. The parameter is only used when a provincial tax on taxable income is calculated (MTXFLG = 1).

MAXPI: Manitoba Age Amount Phase In Rate

This value is used to scale the amount of the reduction which will be applied to the provincial age tax credit. The parameter is only used when the Manitoba provincial tax on taxable income is calculated (MTXFLG = 1).

See also impatxc, MAXM, MAXRR, and MAXTD.

MAXRR: Manitoba Age Amount Credit Reduction Rate

This parameter is the proportion of net income above a given threshold (MAXTD) which will be deducted from the provincial non-refundable age tax credit amount (MAXM). The parameter is only used when the Manitoba provincial tax on taxable income is calculated (MTXFLG = 1).

See also impatxc, MAXTD, MAXPI.

MAXTD: Manitoba Age Amount Net Income Turndown

Individual seniors will have their non-refundable age tax credit reduced if their net income is above the value of this parameter. The parameter is only used when the Manitoba provincial tax on taxable income is calculated (MTXFLG = 1).

See also impatxc, MAXRR, MAXPI.

MBXM: Manitoba Basic Personal Exemption Amount

This parameter represents the basic exemption when Manitoba tax is calculated as a tax on taxable income. It is only calculated when MTXFLG is set to 1.

MCGTC: Manitoba Caregivers Tax Credit

MCGTC multiplied by MPNTCR is the maximum amount of the Manitoba Caregiver Tax Credit (impcgct). The parameter is only used when the provincial tax on taxable income is calculated (MTXFLG = 1).

For more explanation see MCGTCFLG.

MCGTCFLG: Manitoba Caregivers Tax Credit Activation Flag

The calculation of the Manitoba Caregiver Tax Credit (impcgtc) is activated by the flag MCGTCFLG.

The Caregiver Tax Credit (impcgtc) provides additional tax assistance to individuals who provide in-home care for relatives. Eligible recipients include individuals residing with and providing in-home care for a parent or grandparent over 65 years of age, or for an infirm dependent relative.

This variable is the sum of modelled Caregiver Tax Credits for all dependants other than spouse. (Line 315 and Schedule 12 in the General Tax Guide)

The base level of the credit is MCGTC. Based on the results of a study pertaining to the presence of elderly parents within the economic family, a take-up rate MCGTCTC was determined. The take up rate is based on the age of a potential parent, assigned to individuals with idefrh =3, according to SCF 1994 data. Users have access to a take-up rate MCGTCTK based on employment income to select the appropriate number of beneficiaries.

The benefit, impcgtc, is reduced for each dollar of net income, iminet, in excess of MCGTCTD.

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

MCGTCTC: Manitoba Caregivers Tax Credit Take Up Rate by Age of Elderly [age,rate]

This is the first take-up rate used in the calculation of Manitoba's impcgtc. It selects an individual with idefrh = 3 and assign him/her as a parent according to observed probability in SCF 1994. The probability is also based on idage.

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

MCGTCTD: Manitoba Caregivers Tax Credit Turndown 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).

MCGTCTK: Manitoba Caregivers Tax Credit Take Up Rate by Income Level [employment income, rate]

This is a take-up rate based on employment income for the Manitoba non-refundable caregivers' tax credit. Users can set values to select the appropriate number of beneficiaries.

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

MCHATL1: Manitoba Charitable Donations Amount Level 1

The level above which the proportion of Manitoba Charitable Donations and Gifts to the Crown (imchara) may be claimed as a tax credit increases. The parameter is only used when the provincial tax on taxable income is calculated (MTXFLG = 1).

MCHATR1: Manitoba Charitable Donations Tax Credit Rate 1

The proportion of charitable donations below the first level (MCHATL1) that may be claimed as a Manitoba non-refundable tax credit. The parameter is only used when the provincial tax on taxable income is calculated (MTXFLG = 1).

MCHATR2: Manitoba Charitable Donations Tax Credit Rate 2

The proportion of charitable donations above the first level (MCHATL1) that may be claimed as a Manitoba non-refundable tax credit. The parameter is only used when the provincial tax on taxable income is calculated (MTXFLG = 1).

MDTCR: Manitoba Dividend Tax Credit Rate

This is the proportion of taxable dividends received (imidivt) which will be given for the Manitoba dividend tax credit (impdtxc). The parameter is only used when the provincial tax on taxable income is calculated (MTXFLG = 1).

MEDXPM: Manitoba Education Amount Per Month

Dollar amount multiplied by number of eligible months to determine the Manitoba education tax credit. The parameter is only used when the provincial tax on taxable income is calculated (MTXFLG = 1).

MEMXM: Manitoba Equivalent to Married Amount

This parameter represents the equivalent to married tax credit when Manitoba tax is calculated as a tax on taxable income. It is only calculated when MTXFLG is set to 1.

MEMXMT: Manitoba Equivalent to Married Turndown Level

This parameter represents the provincial equivalent to married exemption turndown when Manitoba tax is calculated as a tax on taxable income. It is only used when MTXFLG is set to 1. The reduction is calculated as the dependant's net income less the turndown MEMXMT.

MHMASOPT: Manitoba Homeowner Assistance Option (1=model, 2=database)

When this parameter is set to 1, the Manitoba Homeowners Assistance (immhmas) is modelled. Any family with non-zero property taxes (improptx) is assumed to have had the minimum amount of assistance (MPMINC) taken off as a deduction from their municipal property tax statement.

When the option is set to 2, immhmas is set to the database variable (idhomstu).

MMAXDX: Manitoba Maximum Disability Deduction Amount

This value represents the maximum Manitoba non-refundable disability tax credit. It is given to all individuals with a positive value for imputed Disability Deduction (imdisex). The parameter is only used when the provincial tax on taxable income is calculated (MTXFLG = 1).

MMAXET: Manitoba Maximum on Transfer of Education and Tuition Amount

The maximum dollar amount of the combined Manitoba Education and Tuition Tax Credits that may be transferred between spouses or from a dependent to a supporting parent. The parameter is only used when the provincial tax on taxable income is calculated (MTXFLG = 1).

MMXM: Manitoba Married Amount

This parameter represents the married tax credit when Manitoba tax is calculated as a tax on taxable income. It is only used when MTXFLG is set to 1.

MMXMT: Manitoba Married Amount Turndown Level

This parameter represents the provincial married exemption turndown when Manitoba tax is calculated as a tax on taxable income. It is only used when MTXFLG is set to 1. The reduction is calculated as the dependant's net income less the turndown MMXMT.

MPNTRC: Manitoba Provincial Non-Refundable Tax Credit Rate

This single parameter sets the tax credit rate for all of the non-refundable tax credits in Manitoba. Each tax credit is calculated separately and summed for a total credit. The parameter is only used when a provincial tax on taxable income is calculated (MTXFLG = 1).

MPTX: Manitoba Provincial Tax Table [taxable income, basic provincial tax]

This table represents the Manitoba tax curve used when calculating the tax on taxable income (MTXFLG = 1). The first column represents Taxable Income, the second represents the amount of Basic Provincial Tax payable at that level of taxable income, the third column represents the marginal tax rate for the interval between this and the next value in the table.

Only the first and third columns of the tax table need be specified. The second column is computed by the standard algorithm.

MTRNIOS: Manitoba Tax Reduction Net Income Offset

The percentage of net income (iminet) used to offset the Manitoba tax reduction.

MTXFLG: Manitoba Tax on Taxable Income Activation Flag

When this flag is turned on, Manitoba taxes get calculated as a tax on taxable

income instead of as a percentage of federal taxes.

MYPNDL: Manitoba Pension Income Deduction Amount

This is the maximum dollar amount of pension income which may be claimed as a Manitoba non-refundable tax credit. The parameter is only used when the provincial tax on taxable income is calculated (MTXFLG = 1).

NAMTOPT : NFLD Alternative Minimum Tax Option

When Newfoundland tax on taxable income is calculated (NTXFLG = 1), there are three options as to how to calculate the provincial minimum tax.

When NAMTOPT is set to 1, then no provincial alternative minimum tax is calculated.

When NAMTOPT is set to 2, then a percentage (NAMTPCTF) of the additional federal tax due to the minimum tax is added to the basic provincial tax (imbpt).

When NAMTOPT is set to 3, the income used in the provincial tax calculation is replaced by the net income used for alternative tax purposes (imamtinc) for people who triggered the federal minimum tax. Then the NAMTTX rate, usually set to the smallest non-zero tax rate, is applied in order to get the provincial tax before the non-refundable tax credits.

NAMTPCTF: NFLD Amount Rate as pct of Additional Fed Tax due to Minimum Tax

When Newfoundland tax on taxable income is calculated (NTXFLG=1) and NAMTOPT is set to 2, then a percentage (NAMTPCTF) of the additional federal tax due to the minimum tax is added to the basic provincial tax (imbpt).

NAMTTX: NFLD Amount Rate as Tax on Adjusted Income

When Newfoundland tax on taxable income is calculated (NTXFLG=1) and NAMTOPT is set to 3, the income used in the provincial tax calculation is replaced by the net income used for alternative tax purposes (imamtinc) for people who triggered the federal minimum tax. Then the NAMTTX rate, usually set to the smallest non-zero tax rate, is applied in order to get the provincial tax before the non-refundable tax credits.

NAXM: NFLD Age Amount

This is the maximum value of the Newfoundland age non-refundable tax credit before any reductions are applied. The parameter is only used when a provincial tax on taxable income is calculated (NTXFLG = 1).

NAXPI: NFLD Age Amount Phase In Rate

This value is used to scale the amount of the reduction which will be applied to the provincial age tax credit. The parameter is only used when the Newfoundland provincial tax on taxable income is calculated (NTXFLG = 1).

See also `impatxc`, `NAXM`, `NAXRR`, and `NAXTD`.

NAXRR: NFLD Age Amount Credit Reduction Rate

This parameter is the proportion of net income above a given threshold (`NAXTD`) which will be deducted from the provincial non-refundable age tax credit amount (`NAXM`). The parameter is only used when the Newfoundland provincial tax on taxable income is calculated (`NTXFLG = 1`).

See also `impatxc`, `NAXTD`, `NAXPI`

NAXTD: NFLD Age Amount Net Income Turndown

Individual seniors will have their non-refundable age tax credit reduced if their net income is above the value of this parameter. The parameter is only used when the Newfoundland provincial tax on taxable income is calculated (`NTXFLG = 1`).

See also `impatxc`, `NAXRR`, `NAXPI`

NBXM: NFLD Basic Personal Exemption Amount

This parameter represents the basic exemption when Newfoundland tax is calculated as a tax on taxable income. It is only calculated when `NTXFLG` is set to 1.

NCB1: Newfoundland Child Benefit for First Child

This is the maximum amount of Newfoundland and Labrador Child Benefit for the first dependent child in the family.

NCB2: Newfoundland Child Benefit for Second Child

This is the maximum amount of Newfoundland and Labrador Child Benefit for the second dependent child in the family.

NCB3: Newfoundland Child Benefit for Third Child

This is the maximum amount of Newfoundland and Labrador Child Benefit for the third dependent child in the family.

NCB4: Newfoundland Child Benefit for Fourth and Subsequent Child

This is the maximum amount of Newfoundland and Labrador Child Benefit for the fourth (or more) dependent child in the family.

NCBFLG: Newfoundland Child Benefit Activation Flag

This flag turns on or off the Newfoundland and Labrador Child Benefit. The Newfoundland and Labrador Child Benefit (`imncb`) is a tax-free monthly payment to help low-income families with the cost of raising children under age 18. Benefits from

this program are combined with the Canada Child Tax Benefit into a single monthly payment. The program was implemented in July 1999.

Under the Newfoundland and Labrador Child Benefit program, you may be entitled to receive a benefit of NCB1 for the first child, NCB2 for the second child, NCB3 for the third child, and NCB4 for each additional child. The benefit is reduced when net family income is greater than NCBTD and is completely phased out when net family income is at least NCBPO.

NCBPI: Newfoundland Child Benefit Phase In Rate

The Newfoundland and Labrador Child Benefit is phased in by multiplying the benefit by this parameter.

NCBPO: Newfoundland Child Benefit Family Income Phase Out

The level of family net income (head plus spouse) above which the Newfoundland and Labrador Child Benefit is completely phased out.

NCBTD: Newfoundland Child Benefit Family Income Turndown

The level of family net income (head plus spouse) above which the Newfoundland and Labrador Child Benefit begins to be paid at a lower rate. The benefit is reduced when net family income is greater than this parameter and less than NCBPO.

NCGTC: NFLD Caregivers Tax Credit

NCGTC multiplied by NPNTCR is the maximum amount of the Newfoundland Caregiver Tax Credit (impcgtc). The parameter is only used when the provincial tax on taxable income is calculated (NTXFLG = 1).

For more explanation see NCGTCFLG.

NCGTCFLG: NFLD Caregivers Tax Credit Activation Flag

The calculation of the Newfoundland Caregiver Tax Credit (impcgtc) is activated by the flag NCGTCFLG.

The Caregiver Tax Credit (impcgtc) provides additional tax assistance to individuals who provide in-home care for relatives. Eligible recipients include individuals residing with and providing in-home care for a parent or grandparent over 65 years of age, or for an infirm dependent relative.

This variable is the sum of modelled Caregiver Tax Credits for all dependants other than spouse. (Line 315 and Schedule 12 in the General Tax Guide)

The base level of the credit is NCGTC. Based on the results of a study pertaining to the presence of elderly parents within the economic family, a take-up rate NCGTCTC was determined. The take up rate is based on the age of a potential parent, assigned to individuals with idefrh =3, according to SCF 1994 data. Users have access to a take-up rate NCGTCTK based on employment income to select

the appropriate number of beneficiaries.

The benefit, `impcgtc`, is reduced for each dollar of net income, `iminet`, in excess of `NCGTCTD`.

This non-refundable tax credit is only calculated when the provincial tax on taxable income is calculated (`NTXFLG = 1`).

NCGTCTC: NFLD Caregivers Tax Credit Take Up Rate by Age of Elderly [age,rate]

This is the first take-up rate used in the calculation of Newfoundland's `impcgtc`. It selects an individual with `idefrh = 3` and assign him/her as a parent according to observed probability in SCF 1994. The probability is also based on `idage`.

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

NCGTCTD: NFLD Caregivers Tax Credit Turndown 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`).

NCGTCTK: NFLD Caregivers Tax Credit Take Up Rate by Income Level [employment income, rate]

This is a take-up rate based on employment income for the Newfoundland non-refundable caregivers' tax credit. Users can set values to select the appropriate number of beneficiaries.

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

NCHATL1: NFLD Charitable Donations Amount Level 1

The level above which the proportion of Newfoundland Charitable Donations and Gifts to the Crown (`imchara`) may be claimed as a tax credit increases. The parameter is only used when the provincial tax on taxable income is calculated (`NTXFLG = 1`).

NCHATR1: NFLD Charitable Donations Tax Credit Rate 1

The proportion of charitable donations below the first level (`NCHATL1`) that may be claimed as a Newfoundland non-refundable tax credit. The parameter is only used when the provincial tax on taxable income is calculated (`NTXFLG = 1`).

NCHATR2: NFLD Charitable Donations Tax Credit Rate 2

The proportion of charitable donations above the first level (`NCHATL1`) that may be claimed as a Newfoundland non-refundable tax credit. The parameter is only used

when the provincial tax on taxable income is calculated (NTXFLG = 1).

NDTCR: NFLD Dividend Tax Credit Rate

This is the proportion of taxable dividends received (imidivt) which will be given for the Newfoundland dividend tax credit (impdtxc). The parameter is only used when the provincial tax on taxable income is calculated (NTXFLG = 1).

NEDXPM: NFLD Education Amount Per Month

Dollar amount multiplied by number of eligible months to determine the Newfoundland education tax credit. The parameter is only used when the provincial tax on taxable income is calculated (NTXFLG = 1).

NEMXM: NFLD Equivalent to Married Amount

This parameter represents the equivalent to married tax credit when Newfoundland tax is calculated as a tax on taxable income. It is only calculated when NTXFLG is set to 1.

NEMXMT: NFLD Equivalent to Married Turndown Level

This parameter represents the provincial equivalent to married exemption turndown when Newfoundland tax is calculated as a tax on taxable income. It is only used when NTXFLG is set to 1. The reduction is calculated as the dependant's net income less the turndown NEMXMT.

NMAXDX: NFLD Maximum Disability Deduction Amount

This value represents the maximum Newfoundland non-refundable disability tax credit. It is given to all individuals with a positive value for imputed Disability Deduction (imdisex). The parameter is only used when the provincial tax on taxable income is calculated (NTXFLG = 1).

NMAXET: NFLD Maximum on Transfer of Education and Tuition Amount

The maximum dollar amount of the combined Newfoundland Education and Tuition Tax Credits that may be transferred between spouses or from a dependent to a supporting parent. The parameter is only used when the provincial tax on taxable income is calculated (NTXFLG = 1).

NMXM: NFLD Married Amount

This parameter represents the married tax credit when Newfoundland tax is calculated as a tax on taxable income. It is only used when NTXFLG is set to 1.

NMXMT: NFLD Married Amount Turndown Level

This parameter represents the provincial married exemption turndown when Newfoundland tax is calculated as a tax on taxable income. It is only used when NTXFLG is set to 1. The reduction is calculated as the dependant's net income less the turndown NMXMT.

NPNTCR: NFLD Provincial Non-Refundable Tax Credit Rate

This single parameter sets the tax credit rate for all of the non-refundable tax credits in Newfoundland. Each tax credit is calculated separately and summed for a total credit. The parameter is only used when a provincial tax on taxable income is calculated (NTXFLG = 1).

NPTX: NFLD Provincial Tax Table [taxable income, basic provincial tax]

This table represents the Newfoundland tax curve used when calculating the tax on taxable income (NTXFLG = 1). The first column represents Taxable Income, the second represents the amount of Basic Provincial Tax payable at that level of taxable income, the third column represents the marginal tax rate for the interval between this and the next value in the table.

Only the first and third columns of the tax table need be specified. The second column is computed by the standard algorithm.

NTXFLG: NFLD Tax on Taxable Income Activation Flag

When this flag is turned on, Newfoundland taxes get calculated as a tax on taxable income instead of as a percentage of federal taxes.

NYPNDL: NFLD Pension Income Deduction Amount

This is the maximum dollar amount of pension income which may be claimed as a Newfoundland non-refundable tax credit. The parameter is only used when the provincial tax on taxable income is calculated (NTXFLG = 1).

OAMTOPT: Ontario Alternative Minimum Tax Option

When Ontario tax on taxable income is calculated (OTXFLG = 1), there are three options as to how to calculate the provincial minimum tax.

When OAMTOPT is set to 1, then no provincial alternative minimum tax is calculated.

When OAMTOPT is set to 2, then a percentage (OAMTPCTF) of the additional federal tax due to the minimum tax is added to the basic provincial tax (imbpt).

When OAMTOPT is set to 3, the income used in the provincial tax calculation is replaced by the net income used for alternative tax purposes (imamtinc) for people who triggered the federal minimum tax. Then the OAMTTX rate, usually set to the smallest non-zero tax rate, is applied in order to get the provincial tax before the non-refundable tax credits.

OAMTPCTF: Ontario Amount Rate as pct of Additional Fed Tax due to Minimum Tax

When Ontario tax on taxable income is calculated (OTXFLG=1) and OAMTOPT is set to 2, then a percentage (OAMTPCTF) of the additional federal tax due to the minimum tax is added to the basic provincial tax (imbpt).

OAMTTX: Ontario Amount Rate as Tax on Adjusted Income

When Ontario tax on taxable income is calculated (OTXFLG=1) and OAMTOPT is set to 3, the income used in the provincial tax calculation is replaced by the net income used for alternative tax purposes (imamtinc) for people who triggered the federal minimum tax. Then the OAMTTX rate, usually set to the smallest non-zero tax rate, is applied in order to get the provincial tax before the non-refundable tax credits.

OAXM: Ontario Age Amount

This is the maximum value of the Ontario age non-refundable tax credit before any reductions are applied. The parameter is only used when a provincial tax on taxable income is calculated (OTXFLG = 1).

OAXPI: Ontario Age Amount Phase In Rate

This value is used to scale the amount of the reduction which will be applied to the provincial age tax credit. The parameter is only used when the Ontario provincial tax on taxable income is calculated (OTXFLG = 1).

See also impatxc, OAXM, OAXRR, and OAXTD.

OAXRR: Ontario Age Amount Credit Reduction Rate

This parameter is the proportion of net income above a given threshold (OAXTD) which will be deducted from the provincial non-refundable age tax credit amount (OAXM). The parameter is only used when the Ontario provincial tax on taxable income is calculated (OTXFLG = 1).

See also impatxc, OAXTD, OAXPI.

OAXTD: Ontario Age Amount Net Income Turndown

Individual seniors will have their non-refundable age tax credit reduced if their net income is above the value of this parameter. The parameter is only used when the Ontario provincial tax on taxable income is calculated (OTXFLG = 1).

See also impatxc, OAXRR, OAXPI.

OBXM: Ontario Basic Personal Exemption Amount

This parameter represents the basic exemption when Ontario tax is calculated as a tax on taxable income. It is only calculated when OTXFLG is set to 1.

OCAPGIR: Ontario Capital Gains Inclusion Rate

The proportion of gross capital gains (idicapg) that are treated as taxable in Ontario.

When OCGIRFLG is activated (set to 1), the Ontario taxable income for the purpose of Ontario taxes is reduced by amount of gross capital gains times the difference in the federal capital gains inclusion rate (CAPGIR) and the Ontario capital gains

inclusion rate. $(idicapg * (CAPGIR - OCAPGIR))$. The resulting value for the taxable income is *imiotax*. This is only used when *OTXFLG* is set to 1.

The Ontario Capital Gains Inclusion Rate was announced in the Ontario 2000 Budget to be implemented in 2001. However, legislation regarding the actual implementation was not complete at the time of this release.

OCGIRFLG: Ontario Capital Gains Inclusion Rate Activation Flag

When this flag is activated (set to 1), the Ontario taxable income for the purpose of Ontario taxes is reduced by amount of gross capital gains times the difference in the federal capital gains inclusion rate (*CAPGIR*) and the Ontario capital gains inclusion rate. $(idicapg * (CAPGIR - OCAPGIR))$. The resulting value for the taxable income is *imiotax*. This is only used when *OTXFLG* is set to 1.

The Ontario Capital Gains Inclusion Rate was announced in the Ontario 2000 Budget to be implemented in 2001. However, legislation regarding the actual implementation was not complete at the time of this release.

OCGTC: Ontario Caregivers Tax Credit

OCGTC multiplied by *OPNTCR* is the maximum amount of the Ontario Caregiver Tax Credit (*impcgtc*). The parameter is only used when the provincial tax on taxable income is calculated (*OTXFLG* = 1).

For more explanation see *OCGTCFLG*.

OCGTCFLG: Ontario Caregivers Tax Credit Activation Flag

The calculation of the Ontario Caregiver Tax Credit (*impcgtc*) is activated by the flag *OCGTCFLG*.

The Caregiver Tax Credit (*impcgtc*) provides additional tax assistance to individuals who provide in-home care for relatives. Eligible recipients include individuals residing with and providing in-home care for a parent or grandparent over 65 years of age, or for an infirm dependent relative.

This variable is the sum of modelled Caregiver Tax Credits for all dependants other than spouse. (Line 315 and Schedule 12 in the General Tax Guide)

The base level of the credit is *OCGTC*. Based on the results of a study pertaining to the presence of elderly parents within the economic family, a take-up rate *OCGTCTC* was determined. The take up rate is based on the age of a potential parent, assigned to individuals with *idefrh* = 3, according to SCF 1994 data. Users have access to a take-up rate *OCGTCTK* based on employment income to select the appropriate number of beneficiaries.

The benefit, *impcgtc*, is reduced for each dollar of net income, *iminet*, in excess of *OCGTCTD*.

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

OCGTCTC: Ontario Caregivers Tax Credit Take Up Rate by Age of Elderly [age,rate]

This is the first take-up rate used in the calculation of Ontario's impcgtc. It selects an individual with idefrh = 3 and assign him/her as a parent according to observed probability in SCF 1994. The probability is also based on idage.

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

OCGTCTD: Ontario Caregivers Tax Credit Turndown 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).

OCGTCTK: Ontario Caregivers Tax Credit Take Up Rate by Income Level [employment income, rate]

This is a take-up rate based on employment income for the Ontario non-refundable caregivers' tax credit. Users can set values to select the appropriate number of beneficiaries.

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

OCHATL1: Ontario Charitable Donations Amount Level 1

The level above which the proportion of Ontario Charitable Donations and Gifts to the Crown (imchara) may be claimed as a tax credit increases. The parameter is only used when the provincial tax on taxable income is calculated (OTXFLG = 1).

OCHATR1: Ontario Charitable Donations Tax Credit Rate 1

The proportion of charitable donations below the first level (OCHATL1) that may be claimed as a Ontario non-refundable tax credit. The parameter is only used when the provincial tax on taxable income is calculated (OTXFLG = 1).

OCHATR2: Ontario Charitable Donations Tax Credit Rate 2

The proportion of charitable donations above the first level (OCHATL1) that may be claimed as a Ontario non-refundable tax credit. The parameter is only used when the provincial tax on taxable income is calculated (OTXFLG = 1).

OCWISSP: Ontario Child Care Supplement for Working Families Amount for Single Parents

This value is the maximum annual benefit per child for the Ontario Child Care Supplement for Working Families allowed associated with "young" children (under 7)

in single parent families.

See also: imoccea.

ODTCR: Ontario Dividend Tax Credit Rate

This is the proportion of taxable dividends received (imidivt) which will be given for the Ontario dividend tax credit (impdtxc). The parameter is only used when the provincial tax on taxable income is calculated (OTXFLG = 1).

OEDXPM: Ontario Education Amount Per Month

Dollar amount multiplied by number of eligible months to determine the Ontario education tax credit. The parameter is only used when the provincial tax on taxable income is calculated (OTXFLG = 1).

OEMXM: Ontario Equivalent to Married Amount

This parameter represents the equivalent to married tax credit when Ontario tax is calculated as a tax on taxable income. It is only calculated when OTXFLG is set to 1.

OEMXMT: Ontario Equivalent to Married Turndown Level

This parameter represents the provincial equivalent to married exemption turndown when Ontario tax is calculated as a tax on taxable income. It is only used when OTXFLG is set to 1. The reduction is calculated as the dependant's net income less the turndown OEMXMT.

OMAXDX: Ontario Maximum Disability Deduction Amount

This value represents the maximum Ontario non-refundable disability tax credit. It is given to all individuals with a positive value for imputed Disability Deduction (imdisex). The parameter is only used when the provincial tax on taxable income is calculated (OTXFLG = 1).

OMAXET: Ontario Maximum on Transfer of Education and Tuition Amount

The maximum dollar amount of the combined Ontario Education and Tuition Tax Credits that may be transferred between spouses or from a dependent to a supporting parent. The parameter is only used when the provincial tax on taxable income is calculated (OTXFLG = 1).

OMXM: Ontario Married Amount

This parameter represents the married tax credit when Ontario tax is calculated as a tax on taxable income. It is only used when OTXFLG is set to 1.

OMXMT: Ontario Married Amount Turndown Level

This parameter represents the provincial married exemption turndown when Ontario tax is calculated as a tax on taxable income. It is only used when OTXFLG is set to 1. The reduction is calculated as the dependant's net income less the turndown

OMXMT.

OPNTPCR: Ontario Provincial Non-Refundable Tax Credit Rate

This single parameter sets the tax credit rate for all of the non-refundable tax credits in Ontario. Each tax credit is calculated separately and summed for a total credit. The parameter is only used when a provincial tax on taxable income is calculated (OTXFLG = 1).

OPTX: Ontario Provincial Tax Table [taxable income, basic provincial tax]

This table represents the Ontario tax curve used when calculating the tax on taxable income (OTXFLG = 1). The first column represents Taxable Income, the second represents the amount of Basic Provincial Tax payable at that level of taxable income, the third column represents the marginal tax rate for the interval between this and the next value in the table.

Only the first and third columns of the tax table need be specified. The second column is computed by the standard algorithm.

OPYTAX: Estimate of previous year's Ontario taxes

This parameter estimates the previous year's taxes. The taxpayer dividend (imotxdv) is equal to taxes paid in the previous year up to a maximum (OTXDVMAX). People who paid over 0\$ in taxes would get a minimum rebate of OTXDVMIN. The benefit is included in refundable tax credits. Since it is based on the previous year's taxes, the taxes are multiplied by OPYTAX in order to estimate the lagged effect.

OTXDVMAX: Estimate of previous year's Ontario taxes

The taxpayer dividend (imotxdv) is equal to taxes paid in the previous year up to a maximum (OTXDVMAX). People who paid over 0\$ in taxes would get a minimum rebate of OTXDVMIN. The benefit is included in refundable tax credits. Since it is based on the previous year's taxes, the taxes are multiplied by OPYTAX in order to estimate the lagged effect.

OTXDVMIN: Minimum taxpayer dividend for people with non-zero taxes

This represents the minimum amount of the taxpayer dividend for people who paid over 0\$ in taxes. The taxpayer dividend (imotxdv) is equal to taxes paid in the previous year up to a maximum (OTXDVMAX). The benefit is included in refundable tax credits. Since it is based on the previous year's taxes, the taxes are multiplied by OPYTAX in order to estimate the lagged effect.

OTXFLG: Ontario Tax on Taxable Income Activation Flag

When this flag is turned on, Ontario taxes get calculated as a tax on taxable income instead of as a percentage of federal taxes.

OYPNDL: Ontario Pension Income Deduction Amount

This is the maximum dollar amount of pension income which may be claimed as an Ontario non-refundable tax credit. The parameter is only used when the provincial tax on taxable income is calculated (OTXFLG = 1).

PAMTOPT: P.E.I. Alternative Minimum Tax Option

When Prince Edward Island tax on taxable income is calculated (PTXFLG = 1), there are three options as to how to calculate the provincial minimum tax.

When PAMTOPT is set to 1, then no provincial alternative minimum tax is calculated.

When PAMTOPT is set to 2, then a percentage (PAMTPCTF) of the additional federal tax due to the minimum tax is added to the basic provincial tax (imbpt).

When PAMTOPT is set to 3, the income used in the provincial tax calculation is replaced by the net income used for alternative tax purposes (imamtinc) for people who triggered the federal minimum tax. Then the PAMTTX rate, usually set to the smallest non-zero tax rate, is applied in order to get the provincial tax before the non-refundable tax credits.

PAMTPCTF: P.E.I. Amount Rate as pct of Additional Fed Tax due to Minimum Tax

When Prince Edward Island tax on taxable income is calculated (PTXFLG=1) and PAMTOPT is set to 2, then a percentage (PAMTPCTF) of the additional federal tax due to the minimum tax is added to the basic provincial tax (imbpt).

PAMTTX: P.E.I. Amount Rate as Tax on Adjusted Income

When Prince Edward Island tax on taxable income is calculated (PTXFLG=1) and PAMTOPT is set to 3, the income used in the provincial tax calculation is replaced by the net income used for alternative tax purposes (imamtinc) for people who triggered the federal minimum tax. Then the PAMTTX rate, usually set to the smallest non-zero tax rate, is applied in order to get the provincial tax before the non-refundable tax credits.

PAXM: P.E.I. Age Amount

This is the maximum value of the Prince Edward Island age non-refundable tax credit before any reductions are applied. The parameter is only used when a provincial tax on taxable income is calculated (PTXFLG = 1).

PAXPI: P.E.I. Age Amount Phase In Rate

This value is used to scale the amount of the reduction which will be applied to the provincial age tax credit. The parameter is only used when the Prince Edward Island provincial tax on taxable income is calculated (PTXFLG = 1).

See also impatxc, PAXM, PAXRR, and PAXTD.

PAXRR: P.E.I. Age Amount Credit Reduction Rate

This parameter is the proportion of net income above a given threshold (PAXTD) which will be deducted from the provincial non-refundable age tax credit amount (PAXM). The parameter is only used when the Prince Edward Island provincial tax on taxable income is calculated (PTXFLG = 1).

See also `impatxc`, `PAXTD`, `PAXPI`.

PAXTD: P.E.I. Age Amount Net Income Turndown

Individual seniors will have their non-refundable age tax credit reduced if their net income is above the value of this parameter. The parameter is only used when the Prince Edward Island provincial tax on taxable income is calculated (PTXFLG = 1).

See also `impatxc`, `PAXRR`, `PAXPI`

PBXM: P.E.I. Basic Personal Exemption Amount

This parameter represents the basic exemption when Prince Edward Island tax is calculated as a tax on taxable income. It is only calculated when PTXFLG is set to 1.

PCGTC: P.E.I. Caregivers Tax Credit

PCGTC multiplied by PPNTCR is the maximum amount of the Prince Edward Island Caregiver Tax Credit (`impcgtc`). The parameter is only used when the provincial tax on taxable income is calculated (PTXFLG = 1).

For more explanation see `PCGTCFLG`.

PCGTCFLG: P.E.I. Caregivers Tax Credit Activation Flag

The calculation of the Prince Edward Island Caregiver Tax Credit (`impcgtc`) is activated by the flag `PCGTCFLG`.

The Caregiver Tax Credit (`impcgtc`) provides additional tax assistance to individuals who provide in-home care for relatives. Eligible recipients include individuals residing with and providing in-home care for a parent or grandparent over 65 years of age, or for an infirm dependent relative.

This variable is the sum of modelled Caregiver Tax Credits for all dependants other than spouse. (Line 315 and Schedule 12 in the General Tax Guide)

The base level of the credit is `PCGTC`. Based on the results of a study pertaining to the presence of elderly parents within the economic family, a take-up rate `PCGTCTC` was determined. The take up rate is based on the age of a potential parent, assigned to individuals with `idefrh=3`, according to SCF 1994 data. Users have access to a take-up rate `PCGTCTK` based on employment income to select the

appropriate number of beneficiaries.

The benefit, `impcgtc`, is reduced for each dollar of net income, `iminet`, in excess of `PCGTCTD`.

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

PCGTCTC: P.E.I. Caregivers Tax Credit Take Up Rate by Age of Elderly [age,rate]

This is the first take-up rate used in the calculation of Prince Edward Island's `impcgtc`. It selects an individual with `idefrh = 3` and assign him/her as a parent according to observed probability in SCF 1994. The probability is also based on `idage`.

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

PCGTCTD: P.E.I. Caregivers Tax Credit Turndown 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`).

PCGTCTK: P.E.I. Caregivers Tax Credit Take Up Rate by Income Level [employment income, rate]

This is a take-up rate based on employment income for the Prince Edward Island non-refundable caregivers' tax credit. Users can set values to select the appropriate number of beneficiaries.

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

PCHATL1: P.E.I. Charitable Donations Amount Level 1

The level above which the proportion of Prince Edward Island Charitable Donations and Gifts to the Crown (`imchara`) may be claimed as a tax credit increases. The parameter is only used when the provincial tax on taxable income is calculated (`PTXFLG = 1`).

PCHATR1: P.E.I. Charitable Donations Tax Credit Rate 1

The proportion of charitable donations below the first level (`PCHATL1`) that may be claimed as a Prince Edward Island non-refundable tax credit. The parameter is only used when the provincial tax on taxable income is calculated (`PTXFLG = 1`).

PCHATR2: P.E.I. Charitable Donations Tax Credit Rate 2

The proportion of charitable donations above the first level (`PCHATL1`) that may be

claimed as a Prince Edward Island non-refundable tax credit. The parameter is only used when the provincial tax on taxable income is calculated (PTXFLG = 1).

PDTCR: P.E.I. Dividend Tax Credit Rate

This is the proportion of taxable dividends received (imdivt) which will be given for the Prince Edward Island dividend tax credit (impdtxc). The parameter is only used when the provincial tax on taxable income is calculated (PTXFLG = 1).

PEDXPM: P.E.I. Education Amount Per Month

Dollar amount multiplied by number of eligible months to determine the Prince Edward Island education tax credit. The parameter is only used when the provincial tax on taxable income is calculated (PTXFLG = 1).

PEMXM: P.E.I. Equivalent to Married Amount

This parameter represents the equivalent to married tax credit when Prince Edward Island tax is calculated as a tax on taxable income. It is only calculated when PTXFLG is set to 1.

PEMXMT: P.E.I. Equivalent to Married Turndown Level

This parameter represents the provincial equivalent to married exemption turndown when Prince Edward Island tax is calculated as a tax on taxable income. It is only used when PTXFLG is set to 1. The reduction is calculated as the dependant's net income less the turndown PEMXMT.

PMAXDX: P.E.I. Maximum Disability Deduction Amount

This value represents the maximum Prince Edward Island non-refundable disability tax credit. It is given to all individuals with a positive value for imputed Disability Deduction (imdisex). The parameter is only used when the provincial tax on taxable income is calculated (PTXFLG = 1).

PMAXET: P.E.I. Maximum on Transfer of Education and Tuition Amount

The maximum dollar amount of the combined Prince Edward Island Education and Tuition Tax Credits that may be transferred between spouses or from a dependent to a supporting parent. The parameter is only used when the provincial tax on taxable income is calculated (PTXFLG = 1).

PMXM: P.E.I. Married Amount

This parameter represents the married tax credit when Prince Edward Island tax is calculated as a tax on taxable income. It is only used when PTXFLG is set to 1.

PMXMT: P.E.I. Married Amount Turndown Level

This parameter represents the provincial married exemption turndown when Prince Edward Island tax is calculated as a tax on taxable income. It is only used when PTXFLG is set to 1. The reduction is calculated as the dependant's net income less the turndown PMXMT.

PPNTRC: P.E.I. Provincial Non-Refundable Tax Credit Rate

This single parameter sets the tax credit rate for all of the non-refundable tax credits in Prince Edward Island. Each tax credit is calculated separately and summed for a total credit. The parameter is only used when a provincial tax on taxable income is calculated (PTXFLG = 1).

PPTX: P.E.I. Provincial Tax Table [taxable income, basic provincial tax]

This table represents the Prince Edward Island tax curve used when calculating the tax on taxable income (PTXFLG = 1). The first column represents Taxable Income, the second represents the amount of Basic Provincial Tax payable at that level of taxable income, the third column represents the marginal tax rate for the interval between this and the next value in the table.

Only the first and third columns of the tax table need be specified. The second column is computed by the standard algorithm.

PTRBAS: Base P.E.I. Low Income Tax Reduction

This is the base amount for the Prince Edward Island Low income tax reduction.

Announced in the 2000 budget, the maximum Low Income Tax Reduction is equal to the sum of a base amount (PTRBAS), an amount for a spouse or equivalent-to-spouse (PTRSP), and an amount for each dependent child (PTRKID). It is then reduced for net income over PTRTD at a rate of PTRRR. The reduction cannot be more than taxes owing. The reduction is calculated at a family level but can be split amongst spouses.

PTRKID: P.E.I. Low Income Tax Reduction for Dependant Child

This is the amount for dependent children for the Prince Edward Island Low income tax reduction.

Announced in the 2000 budget, the maximum Low Income Tax Reduction is equal to the sum of a base amount (PTRBAS), an amount for a spouse or equivalent-to-spouse (PTRSP), and an amount for each dependent child (PTRKID). It is then reduced for net income over PTRTD at a rate of PTRRR. The reduction cannot be more than taxes owing. The reduction is calculated at a family level but can be split amongst spouses.

PTRRR: P.E.I. Low Income Tax Reduction Program Reduction Rate

This is the reduction rate for the Prince Edward Island Low income tax reduction.

Announced in the 2000 budget, the maximum Low Income Tax Reduction is equal to the sum of a base amount (PTRBAS), an amount for a spouse or equivalent-to-spouse (PTRSP), and an amount for each dependent child (PTRKID). It is then reduced for net income over PTRTD at a rate of PTRRR. The reduction cannot be more than taxes owing. The reduction is calculated at a family level but can be split

amongst spouses.

PTRSP: P.E.I. Low Income Tax Reduction for Spouse or Equivalent-to-Spouse

This is the married or equivalent-to-married amount for the Prince Edward Island Low income tax reduction.

Announced in the 2000 budget, the maximum Low Income Tax Reduction is equal to the sum of a base amount (PTRBAS), an amount for a spouse or equivalent-to-spouse (PTRSP), and an amount for each dependent child (PTRKID). It is then reduced for net income over PTRTD at a rate of PTRRR. The reduction cannot be more than taxes owing. The reduction is calculated at a family level but can be split amongst spouses.

PTRTD: P.E.I. Low Income Tax Reduction Turndown

This is the turndown for the Prince Edward Island Low income tax reduction.

Announced in the 2000 budget, the maximum Low Income Tax Reduction is equal to the sum of a base amount (PTRBAS), an amount for a spouse or equivalent-to-spouse (PTRSP), and an amount for each dependent child (PTRKID). It is then reduced for net income over PTRTD at a rate of PTRRR. The reduction cannot be more than taxes owing. The reduction is calculated at a family level but can be split amongst spouses.

PTXFLG: P.E.I. Tax on Taxable Income Activation Flag

When this flag is turned on, Prince Edward Island taxes get calculated as a tax on taxable income instead of as a percentage of federal taxes.

PYPNDL: P.E.I. Pension Income Deduction Amount

This is the maximum dollar amount of pension income which may be claimed as a Prince Edward Island non-refundable tax credit. The parameter is only used when the provincial tax on taxable income is calculated (PTXFLG = 1).

QCBCFLG: Quebec Child Benefit Flag for Quebec calculation methodology

When this flag is activated, Quebec has a specialized Child Tax Benefit system in place, which takes into account the number and ages of the children. If this flag is set to 0, the federal basic amount per child is used.

QEEXPDED: Quebec Employment Expenses Deduction Application Flag

This parameter denotes the application of employment expenses in the calculation of net income for Quebec provincial taxes. When this parameter is assigned to 1, the employment expenses are added to the total deductions (imqdedft). When this parameter is 0, the employment expenses are used to reduce the total income (imqitot). This represents a change to the Quebec Income Tax forms in 1998.

QFATCHIRR: Quebec Family Allowance Tax Credit High Income Reduction Rate

Under the Quebec Family Allowance Tax Credit, this parameter represents the income reduction rate to be applied to the calculated benefit when the family net income exceeds the high income turndown (QFATCHITD). This is valid only when QFATCOPT = 2.

QFATCHITD: Quebec Family Allowance Tax Credit High Income Turndown

Under the Quebec Family Allowance Tax Credit (QFATCOPT=2), this parameter represents the high income turndown level. For families with net income over this amount, the Quebec Family Allowance Tax Credit is equal to the minimum benefit amount (depending on the number of children) less the difference between the family net income and this turndown amount multiplied by the applicable reduction rate (QFATCHIRR).

QFATCK6PYR: Quebec FATC Supplement for Kids Under 6 Phase Out Year Proportion

Under the Quebec Family Allowance Tax Credit (QFATCOPT=2), an extra supplement was available for large families with children under the age of 6 who were also born before August 1, 1997. This parameter contains the proportion of the year that is before August 1. For each child in the family under the age of 6, their age is compared to the difference between TARGETYEAR and QFATCK6YR. If this difference is less than their age, they qualify as an eligible child. If the difference is equal to the child's age (meaning that their year of birth would be 1997), then a random number is compared to this parameter to determine if the child was born before August 1.

QFATCK6YR: Quebec FATC Supplement for Kids Under 6 Phase Out Year

Under the Quebec Family Allowance Tax Credit (QFATCOPT=2), an extra supplement was available for large families with children under the age of 6 who were also born before August 1, 1997. This parameter contains the year cutoff point for this program. For each child in the family under the age of 6, their age is compared to the difference between TARGETYEAR and this parameter. If this difference is less than their age, they qualify as an eligible child. If the difference is equal to the child's age (meaning that their year of birth would be 1997), then a random number is compared to QFATCK6PYR to determine if the child was born before August 1.

QGFTCR: Quebec Credit Rate for Gifts Over Upper Limit

This is the rate used to calculate the Quebec tax credit for gifts and charitable donations that exceed QGIFTL1 when QGIFTHCR is equal to 1. For gifts and charitable donations up to QGIFTL1, the Quebec nominal tax credit rate (QNTCR) is used.

See also QGIFTL1, QGIFTOPT, imqchatc and QNTCR.

QGIFTHCR: Quebec Higher Tax Credit on Large Gifts Activation Flag

When this parameter is set to 1, large gifts are subject to a higher tax credit rate.

Beginning in 2000, there are two tax credit rates applied to gifts in Quebec. Allowable gifts up to QGIFTL1 use the QNTCR. The higher credit rate QGFTCR is applied to allowable gifts over QGIFTL1. The total value of the tax credit is imqchatc.

See also: imqchara, imqchatc, QGIFTOPT, QGIFTFGL.

QGIFTL1: Quebec Minimum Gift Limit Subject to Higher Tax Credit Rate

When QGIFTHCR is equal to 1, different tax credit rates are used depending on the size of the gift. The Quebec nominal tax credit rate (QNTCR) is used on the amount of gifts and charitable donations up to this limit. The tax credit rate for gifts and charitable donation above this amount will be QGFTCR.

See also QGFTCR, QGIFTOPT, imqchatc and QNTCR.

QITSFSEW: Quebec Improved Tax System for Self Employed Workers Flag

When this parameter is set to 1, the improved tax system for self-employed workers is activated. This improved system was announced in the Quebec 2000 Budget to enable the increasing number of self-employed workers to benefit from the simplified tax form. When this parameter is set to 0, the difference between the flat amount provided under the simplified tax system and the maximum contribution to the CPP/QPP with respect to pensionable self-employed earnings would exclude a number of self-employed workers from the simplified tax system.

This system will standardize the tax treatment applicable to that part of the contribution paid by a worker in respect of pensionable self-employed earnings that could be equated with an employer's contribution, and refrain from excluding a growing number of self-employed workers from the simplified tax system. When activated, it will result in a conversion of QITSSEF of the tax credit granted in respect of amounts payable as contributions on pensionable self-employed earnings to the CPP/QPP into a deduction in the calculation of income. This new deduction will be applied to the calculation of income under the simplified tax system and to the income used to determine the contribution to the Health Services Fund payable by individuals.

See also: imqcppse, QITSSEF.

QITSSEF: Quebec Percent of Self Employed QPP/ CPP Contributions as Deduction

When QITSFSEW is activated (equal to 1), this parameter represents the proportion of the tax credit granted in respect of amounts payable as contributions on pensionable self-employed earnings to the CPP/QPP that is to be converted into a deduction in the calculation of income. This new deduction will be applied to the calculation of income under the simplified tax system and to the income used to determine the contribution to the Health Services Fund payable by individuals. This system will standardize the tax treatment applicable to that part of the contribution paid by a worker in respect of pensionable self-employed earnings that could be equated with an employer's contribution, and refrain from excluding a growing

number of self-employed workers from the simplified tax system.

See also: imqcppse, QITSFSEW.

QMEDINC: Income Definition for Quebec Refundable Tax Credit for Medical Expenses

This parameter defines the income definition to be used in the calculation of Quebec medical expenses (imqmeda) and refundable tax credit for medical expenses (imqmedrc).

When assigned to 1, the income test is based on the net income of the individual and the net income of the spouse, if applicable. When assigned to 2, the income test is based as the total income (imqitot).

QMEDRATE: Proportion of Medical Expenses for Quebec Refundable Tax Credit

The maximum proportion of eligible medical expenses (imqmeda) which are eligible for the Quebec refundable tax credit for medical expenses (imqmedrc).

QMEDRMAX: Maximum Medical Expenses for Quebec Refundable Tax Credit

The maximum size of the Quebec refundable tax credit for medical expenses (imqmedrc).

QMEDRMIN: Minimum Earnings for Quebec Refundable Tax Credit for Medical Expenses

If employment earnings are less than this parameter, then a person is eligible to apply for the Quebec refundable tax credit for medical expenses (imqmedrc). Earnings are calculated as employment income (idiemp) plus self-employment income (idisenf + idisefm) minus registered pension plan deduction (idrpp) minus annual union, professional, or like dues (iddues) minus other employment expenses (idalexp).

QMEDRRR: Quebec Refundable Tax Credit for Medical Expenses Reduction Rate

The Quebec refundable tax credit for medical expenses (imqmedrc) is reduced by QMEDRRR percent of net family income in excess of QMEDRTD.

QMEDRTD: Quebec Refundable Tax Credit for Medical Expenses Income Turndown

The Quebec refundable tax credit for medical expenses (imqmedrc) is reduced by QMEDRRR percent of net family income in excess of this amount.

QMRTCFLG: Quebec Refundable Tax Credit for Medical Expenses Activation Flag

When QMRTCFLG is assigned to 1, the Quebec refundable tax credit for medical expenses (imqmedrc) is calculated for persons aged 18 and over who had employment related earnings greater than QMEDRMIN. The maximum refundable credit will be the lesser of QMEDRMAX and QMEDRATE percent of eligible medical expenses (imqmeda). It is reduced by QMEDRRR percent of net family income in excess of QMEDRTD.

When QMRTCFLG is assigned to 0, the calculation of the Quebec refundable tax credit for medical expenses is suppressed.

QNBPOFLAG : Quebec Newborn Family Allowance Phase Out Flag

This parameter activates the phase out of the Quebec Newborn Family Allowance. Children born after 30 September 1997 are not eligible to receive the allowance for newborn children. As a result, this program will progressively disappear until the year 2002. Any child whose age is equal to the difference between TARGETYEAR and QNBPOYR, and whose month of birth is greater than September, which is determined by comparing a random number to QNBPOPYR, would not be eligible for the newborn allowance.

See also QNBFAFLAG.

QNBPOPYR: Quebec Newborn Family Allowance Phase Out Year Proportion

This parameter represents the proportion of the phase out year of the Quebec Newborn Family Allowance where children would still be eligible for the allowance. Children born after 30 September 1997 are not eligible to receive the allowance for newborn children. The phase out is activated by QNBPOFLAG. Any child whose age is equal to the difference between TARGETYEAR and QNBPOYR, and whose month of birth is greater than September (if a random number is greater than this parameter), would not be eligible for the newborn allowance.

See also QNBFAFLAG.

QNBPOYR: Quebec Newborn Family Allowance Phase Out Year

This parameter represents the phase out year of the Quebec Newborn Family Allowance. Children born after 30 September 1997 are not eligible to receive the allowance for newborn children. The phase out is activated by QNBPOFLAG. Any child whose age is equal to the difference between TARGETYEAR and this parameter, and whose month of birth is greater than September, which is determined by comparing a random number to QNBPOPYR, would not be eligible for the newborn allowance.

See also QNBFAFLAG.

QSFSMXI: Quebec Simplified Form Spouse's Maximum Income in Worksheet

This amount is used in the work sheet to determine which tax form in Quebec can be used (simplified or general) when QSFOPT = 3. When the spouse's income is less than this amount, the spouse's QSFTC can be included in the work sheet.

See QSFOPT for more information on the simplified tax form.

SAMTOPT : Sask. Alternative Minimum Tax Option

When Saskatchewan tax on taxable income is calculated (STXFLG = 1), there are three options as to how to calculate the provincial minimum tax.

When SAMTOPT is set to 1, then no provincial alternative minimum tax is calculated.

When SAMTOPT is set to 2, then a percentage (SAMTPCTF) of the additional federal tax due to the minimum tax is added to the basic provincial tax (imbpt).

When SAMTOPT is set to 3, the income used in the provincial tax calculation is replaced by the net income used for alternative tax purposes (imamtinc) for people who triggered the federal minimum tax. Then the SAMTTX rate, usually set to the smallest non-zero tax rate, is applied in order to get the provincial tax before the non-refundable tax credits.

SAMTPCTF: Sask. Amount Rate as pct of Additional Fed Tax due to Minimum Tax

When Saskatchewan tax on taxable income is calculated (STXFLG=1) and SAMTOPT is set to 2, then a percentage (SAMTPCTF) of the additional federal tax due to the minimum tax is added to the basic provincial tax (imbpt).

SAMTTX: Sask. Amount Rate as Tax on Adjusted Income

When Saskatchewan tax on taxable income is calculated (STXFLG=1) and SAMTOPT is set to 3, the income used in the provincial tax calculation is replaced by the net income used for alternative tax purposes (imamtinc) for people who triggered the federal minimum tax. Then the SAMTTX rate, usually set to the smallest non-zero tax rate, is applied in order to get the provincial tax before the non-refundable tax credits.

SAXM: Sask. Age Amount

This is the maximum value of the Saskatchewan age non-refundable tax credit before any reductions are applied. The parameter is only used when a provincial tax on taxable income is calculated (STXFLG = 1).

SAXPI: Sask. Age Amount Phase In Rate

This value is used to scale the amount of the reduction which will be applied to the provincial age tax credit. The parameter is only used when the Saskatchewan provincial tax on taxable income is calculated (STXFLG = 1).

See also impatxc, SAXM, SAXRR, and SAXTD.

SAXRR: Sask. Age Amount Credit Reduction Rate

This parameter is the proportion of net income above a given threshold (SAXTD) which will be deducted from the provincial non-refundable age tax credit amount (SAXM). The parameter is only used when the Saskatchewan provincial tax on taxable income is calculated (STXFLG = 1).

See also impatxc, SAXTD, SAXPI.

SAXTD: Sask. Age Amount Net Income Turndown

Individual seniors will have their non-refundable age tax credit reduced if their net income is above the value of this parameter. The parameter is only used when the Saskatchewan provincial tax on taxable income is calculated (STXFLG = 1).

See also `impatxc`, `SAXRR`, `SAXPI`

SBXM: Sask. Basic Personal Exemption Amount

This parameter represents the basic exemption when Saskatchewan tax is calculated as a tax on taxable income. It is only calculated when STXFLG is set to 1.

SCGTC: Sask. Caregivers Tax Credit

SCGTC multiplied by SPNTCR is the maximum amount of the Saskatchewan Caregiver Tax Credit (`impcgtc`). The parameter is only used when the provincial tax on taxable income is calculated (STXFLG = 1).

For more explanation see SCGTCFLG.

SCGTCFLG: Sask. Caregivers Tax Credit Activation Flag

The calculation of the Saskatchewan Caregiver Tax Credit (`impcgtc`) is activated by the flag SCGTCFLG.

The Caregiver Tax Credit (`impcgtc`) provides additional tax assistance to individuals who provide in-home care for relatives. Eligible recipients include individuals residing with and providing in-home care for a parent or grandparent over 65 years of age, or for an infirm dependent relative.

This variable is the sum of modelled Caregiver Tax Credits for all dependants other than spouse. (Line 315 and Schedule 12 in the General Tax Guide)

The base level of the credit is SCGTC. Based on the results of a study pertaining to the presence of elderly parents within the economic family, a take-up rate SCGTCTC was determined. The take up rate is based on the age of a potential parent, assigned to individuals with `idefrh=3`, according to SCF 1994 data. Users have access to a take-up rate SCGTCTK based on employment income to select the appropriate number of beneficiaries.

The benefit, `impcgtc`, is reduced for each dollar of net income, `iminet`, in excess of SCGTCTD.

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

SCGTCTC: Sask. Caregivers Tax Credit Take Up Rate by Age of Elderly [age,rate]

This is the first take-up rate used in the calculation of Saskatchewan's `impcgtc`. It

selects an individual with idefrh = 3 and assign him/her as a parent according to observed probability in SCF 1994. The probability is also based on idage.

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

SCGTCTD: Sask. Caregivers Tax Credit Turndown Income

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

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

SCGTCTK: Sask. Caregivers Tax Credit Take Up Rate by Income Level [employment income, rate]

This is a take-up rate based on employment income for the Saskatchewan non-refundable caregivers' tax credit. Users can set values to select the appropriate number of beneficiaries.

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

SCHATL1: Sask. Charitable Donations Amount Level 1

The level above which the proportion of Saskatchewan Charitable Donations and Gifts to the Crown (imchara) may be claimed as a tax credit increases. The parameter is only used when the provincial tax on taxable income is calculated (STXFLG = 1).

SCHATR1: Sask. Charitable Donations Tax Credit Rate 1

The proportion of charitable donations below the first level (SCHATL1) that may be claimed as a Saskatchewan non-refundable tax credit. The parameter is only used when the provincial tax on taxable income is calculated (STXFLG = 1).

SCHATR2: Sask. Charitable Donations Tax Credit Rate 2

The proportion of charitable donations above the first level (SCHATL1) that may be claimed as a Saskatchewan non-refundable tax credit. The parameter is only used when the provincial tax on taxable income is calculated (STXFLG = 1).

SCNTC: Saskatchewan Non-refundable Child Tax Credit Amount per Child

Beginning in 2001, this parameter represents the value of the Saskatchewan non-refundable tax credit amount per child.

SDTCR: Sask. Dividend Tax Credit Rate

This is the proportion of taxable dividends received (imidivt) which will be given for the Saskatchewan dividend tax credit (impdtxc). The parameter is only used when the provincial tax on taxable income is calculated (STXFLG = 1).

SEDXPM: Sask. Education Amount Per Month

Dollar amount multiplied by number of eligible months to determine the Saskatchewan education tax credit. The parameter is only used when the provincial tax on taxable income is calculated (STXFLG = 1).

SEMXM: Sask. Equivalent to Married Amount

This parameter represents the equivalent to married tax credit when Saskatchewan tax is calculated as a tax on taxable income. It is only calculated when STXFLG is set to 1.

SEMXT: Sask. Equivalent to Married Turndown Level

This parameter represents the provincial equivalent to married exemption turndown when Saskatchewan tax is calculated as a tax on taxable income. It is only used when STXFLG is set to 1. The reduction is calculated as the dependant's net income less the turndown SEMXT.

SMAXDX: Sask. Maximum Disability Deduction Amount

This value represents the maximum Saskatchewan non-refundable disability tax credit. It is given to all individuals with a positive value for imputed Disability Deduction (imdisex). The parameter is only used when the provincial tax on taxable income is calculated (STXFLG = 1).

SMAXET: Sask. Maximum on Transfer of Education and Tuition Amount

The maximum dollar amount of the combined Saskatchewan Education and Tuition Tax Credits that may be transferred between spouses or from a dependent to a supporting parent. The parameter is only used when the provincial tax on taxable income is calculated (STXFLG = 1).

SMXM: Sask. Married Amount

This parameter represents the married tax credit when Saskatchewan tax is calculated as a tax on taxable income. It is only used when STXFLG is set to 1.

SMXT: Sask. Married Amount Turndown Level

This parameter represents the provincial married exemption turndown when Saskatchewan tax is calculated as a tax on taxable income. It is only used when STXFLG is set to 1. The reduction is calculated as the dependant's net income less the turndown SMXT.

SPNTR: Sask. Provincial Non-Refundable Tax Credit Rate

This single parameter sets the tax credit rate for all of the non-refundable tax credits in Saskatchewan. Each tax credit is calculated separately and summed for a total credit. The parameter is only used when a provincial tax on taxable income is calculated (STXFLG = 1).

SPTX: Sask. Provincial Tax Table [taxable income, basic provincial tax]

This table represents the Saskatchewan tax curve used when calculating the tax on taxable income (STXFLG = 1). The first column represents Taxable Income, the second represents the amount of Basic Provincial Tax payable at that level of taxable income, the third column represents the marginal tax rate for the interval between this and the next value in the table.

Only the first and third columns of the tax table need be specified. The second column is computed by the standard algorithm.

SSSTC: Saskatchewan Senior Supplement Tax Credit

Beginning in 2001, this parameter represents the value of the Saskatchewan Senior Supplement to the age credit.

SSTC1KIDTD: Saskatchewan Sales Tax Credit Child Turndown for only 1 Child

This represents the income level at which the child component of the Saskatchewan Sales Tax Credit is to be reduced at the rate of SSTCRR for families with one qualifying child.

The Saskatchewan Sales Tax Credit (imsstc) was introduced in 2000 to offset the effect of sales taxes on lower income earners. The Saskatchewan Sales Tax Credit will consist of an adult component and a child component. This credit will be fully refundable. The program is activated when SSTCFLAG is set to 1.

See also SSTCBAS, SSTCSP, SSTCKID.

SSTC2KIDTD: Saskatchewan Sales Tax Credit Child Turndown for more than 1 Child

This represents the income level at which the child component of the Saskatchewan Sales Tax Credit is to be reduced at the rate of SSTCRR for families with more than one qualifying child.

The Saskatchewan Sales Tax Credit (imsstc) was introduced in 2000 to offset the effect of sales taxes on lower income earners. The Saskatchewan Sales Tax Credit will consist of an adult component and a child component. This credit will be fully refundable. The program is activated when SSTCFLAG is set to 1.

See also SSTCBAS, SSTCSP, SSTCKID.

SSTCBAS: Saskatchewan Sales Tax Credit Base Amount

This parameter represents the maximum amount for the adult component of the Saskatchewan Sales Tax Credit (imsstc). The adult component of the Saskatchewan Sales Tax Credit will rise at a rate of SSTCBASPIR of individual net income up to this maximum. It will be reduced at a rate of SSTCRR as family net income increases above SSTCBASTD.

See also SSTCKID, SSTCSP

SSTCBASPIR: Saskatchewan Sales Tax Credit Base Amount Phase In Rate

This parameter represents the income phase in rate for the Saskatchewan Sales Tax Credit base amount for the adult component. The adult component will rise at this rate of individual net income up to a maximum (SSTCBAS). The Saskatchewan Sales Tax Credit is activated when SSTCFLAG is set to 1.

The Saskatchewan Sales Tax Credit (imsstc) was introduced in 2000 to offset the effect of sales taxes on lower income earners. The Saskatchewan Sales Tax Credit will consist of an adult component and a child component. This credit will be fully refundable.

See also SSTCSP, SSTCKID.

SSTCBASTD: Saskatchewan Sales Tax Credit Base Amount Turndown

This parameter represents the income turndown level for the adult component of the Saskatchewan Sales Tax Credit (imsstc). The Saskatchewan Sales Tax Credit adult component base amount (SSTCBAS) will be reduced by SSTCRR as family net income increases above this amount.

See also SSTCKID, SSTCSP

SSTCFLAG: Saskatchewan Sales Tax Credit Activation Flag

The Saskatchewan Sales Tax Credit is activated when this parameter is set to 1.

The Saskatchewan Sales Tax Credit was introduced in 2000 to offset the effect of sales taxes on lower income earners. The Saskatchewan Sales Tax Credit (imsstc) will consist of an adult component and a child component. This credit will be fully refundable and is assigned to the spouse with the higher income.

The adult component of the Saskatchewan Sales Tax Credit will rise at a rate of SSTCBASPIR of individual net income up to a maximum (SSTCBAS). It will be reduced at a rate of SSTCRR as family net income increases above SSTCBASTD. An individual will also be eligible for SSTCSP in additional benefits for a dependent spouse or equivalent. This amount will be reduced at a rate of SSTCRR as family net income rises over SSTCSPTD.

The child component of the Saskatchewan Sales Tax Credit will provide an additional SSTCKID per child. For two-parent families, the maximum child component will be SSTCKID + SSTCKID. For single parent families, the first child will be eligible for the adult benefit of SSTCSP and the maximum child component will be SSTCKID. The child component of the Credit will be reduced at a rate of SSTCRR as family net income rises over SSTC1KIDTD for families with one qualifying child. For families with more than one qualifying child, the Credit will be reduced at a rate of SSTCRR as family net income rises over SSTC2KIDTD.

SSTCKID: Saskatchewan Sales Tax Credit Base Child Amount

This is the maximum amount of the child component of the Saskatchewan Sales Tax Credit (imsstc). For two-parent families, the maximum child component will be SSTCKID + SSTCKID. For single parent families, the first child will be eligible for the adult benefit of SSTCSP and the maximum child component will be SSTCKID. The child component of the Credit will be reduced at a rate of SSTCRR as family net income rises over SSTC1KIDTD for families with one qualifying child. For families with more than one qualifying child, the Credit will be reduced at a rate of SSTCRR as family net income rises over SSTC2KIDTD.

The Saskatchewan Sales Tax Credit was introduced in 2000 to offset the effect of sales taxes on lower income earners. The Saskatchewan Sales Tax Credit will consist of an adult component and a child component. This credit will be fully refundable. The program is activated when SSTCFLAG is set to 1.

See also SSTCBAS.

SSTCPI: Saskatchewan Sales Tax Credit Phase In

This parameter provides the phase in rate for the Saskatchewan Sales Tax Credit (imsstc) was introduced in the 2000 Saskatchewan Budget. This credit is effective as of April 1, 2000, and is designed to offset the effect of sales taxes on lower income earners. The Saskatchewan Sales Tax Credit will consist of an adult component and a child component. This credit will be fully refundable. The program is activated when SSTCFLAG is set to 1.

See also SSTCBAS, SSTCSP, SSTCKID.

SSTCRR: Saskatchewan Sales Tax Credit Reduction Rate

This parameter represents the rate at which the Saskatchewan Sales Tax Credit (imsstc) amount is to be reduced. The basic adult component (SSTCBAS) will be reduced at this rate when family net income exceeds SSTCBASTD. The spousal equivalent credit (SSTCSP) will be reduced at this rate when family net income rises over SSTCSPTD.

The child component of the Credit will be reduced at this rate as family net income rises over SSTC1KIDTD for families with one qualifying child. For families with more than one qualifying child, the Credit will be reduced at this rate as family net income rises over SSTC2KIDTD.

See also SSTCKID.

SSTCSP: Saskatchewan Sales Tax Credit Spousal Amount

This is the maximum value of the spousal equivalent amount of the Saskatchewan Sales Tax Credit. An individual will be eligible for this amount in additional benefits

for a dependent spouse or equivalent. This amount will be reduced at a rate of SSTCRR as family net income rises over SSTCSPTD.

In the case of a single parent family, the first child will be eligible for this amount.

The Saskatchewan Sales Tax Credit (imsstc) was introduced in 2000 to offset the effect of sales taxes on lower income earners. The Saskatchewan Sales Tax Credit will consist of an adult component and a child component. This credit will be fully refundable. The program is activated when SSTCFLAG is set to 1.

See also SSTCBAS, SSTCKID.

SSTCSPTD: Saskatchewan Sales Tax Credit Spousal Amount Turndown

This parameter represents the income level at which the spouse equivalent component (SSTCSP) of the Saskatchewan Sales Tax Credit is reduced at the rate of SSTCRR.

The Saskatchewan Sales Tax Credit (imsstc) was introduced in 2000 to offset the effect of sales taxes on lower income earners. The Saskatchewan Sales Tax Credit will consist of an adult component and a child component. This credit will be fully refundable. The program is activated when SSTCFLAG is set to 1.

See also SSTCBAS, SSTCKID.

STXFLG: Sask. Tax on Taxable Income Activation Flag

When this flag is turned on, Saskatchewan taxes get calculated as a tax on taxable income instead of as a percentage of federal taxes.

SYPNDL: Sask. Pension Income Deduction Amount

This is the maximum dollar amount of pension income which may be claimed as a Saskatchewan non-refundable tax credit. The parameter is only used when the provincial tax on taxable income is calculated (STXFLG = 1).

UIEIMTYPFLG: Flag to model main benefit type (UI and EI)

When UIEIMTYPFLG is turned on, instead of calculating the benefit eligibility and amount using the original claim type (ucbtyp), the main type of claim is used (ucmtyp). Note that when a claim starts with sickness, maternity, or parental benefits and also includes regular benefits (uctpcng), a regular claim is modelled.

UIETRNLFLAG: Modeling of UI training benefits flag (UI and EI)

When this flag is turned on, training benefits are modelled. Under the EI system, training benefits were replaced by new benefit types.

UIEITRNREGFLG: UI training benefits turned into regular benefits (UI and EI)

When this flag is turned on and UIEITRNFLAG is turned off, the weeks of training benefits imputed on the database convert to weeks of regular benefits.

In this version of the database, the following claim types have been assigned “regular” claim status:

Self Employment Assistance

Job Creation Partnerships

Skills Loans and Grants

Targeted Wage Subsidies

Targeted Earnings Supplement

Support Measures

The year 1996 was a transitional year from UI to EI. There was a half year of training benefits and a half year of its replacements imputed on the database. Therefore by simply turning off training benefits not enough weeks would be included on the database. Turning this flag on helps to overcome transitional year issues.

VAMTOPT: N.S. Alternative Minimum Tax Option

When Nova Scotia tax on taxable income is calculated (VTXFLG = 1), there are three options as to how to calculate the provincial minimum tax.

When VAMTOPT is set to 1, then no provincial alternative minimum tax is calculated.

When VAMTOPT is set to 2, then a percentage (VAMTPCTF) of the additional federal tax due to the minimum tax is added to the basic provincial tax (imbpt).

When VAMTOPT is set to 3, the income used in the provincial tax calculation is replaced by the net income used for alternative tax purposes (imamtinc) for people who triggered the federal minimum tax. Then the VAMTTX rate, usually set to the smallest non-zero tax rate, is applied in order to get the provincial tax before the non-refundable tax credits.

VAMTPCTF: N.S. Amount Rate as pct of Additional Fed Tax due to Minimum Tax

When Nova Scotia tax on taxable income is calculated (VTXFLG=1) and VAMTOPT

is set to 2, then a percentage (VAMTPCTF) of the additional federal tax due to the minimum tax is added to the basic provincial tax (imbpt).

VAMTTX: N.S. Amount Rate as Tax on Adjusted Income

When Nova Scotia tax on taxable income is calculated (VTXFLG=1) and VAMTOPT is set to 3, the income used in the provincial tax calculation is replaced by the net income used for alternative tax purposes (imamtinc) for people who triggered the federal minimum tax. Then the VAMTTX rate, usually set to the smallest non-zero tax rate, is applied in order to get the provincial tax before the non-refundable tax credits.

VAXM: N.S. Age Amount

This is the maximum value of the Nova Scotia age non-refundable tax credit before any reductions are applied. The parameter is only used when a provincial tax on taxable income is calculated (VTXFLG = 1).

VAXPI: N.S. Age Amount Phase In Rate

This value is used to scale the amount of the reduction which will be applied to the provincial age tax credit. The parameter is only used when the Nova Scotia provincial tax on taxable income is calculated (VTXFLG = 1).

See also impatxc, VAXM, VAXRR, and VAXTD.

VAXRR: N.S. Age Amount Credit Reduction Rate

This parameter is the proportion of net income above a given threshold (VAXTD) which will be deducted from the provincial non-refundable age tax credit amount (VAXM). The parameter is only used when the Nova Scotia provincial tax on taxable income is calculated (VTXFLG = 1).

See also impatxc, VAXTD, VAXPI.

VAXTD: N.S. Age Amount Net Income Turndown

Individual seniors will have their non-refundable age tax credit reduced if their net income is above the value of this parameter. The parameter is only used when the Nova Scotia provincial tax on taxable income is calculated (VTXFLG = 1).

See also impatxc, VAXRR, VAXPI

VBXM: N.S. Basic Personal Exemption Amount

This parameter represents the basic exemption when Nova Scotia tax is calculated as a tax on taxable income. It is only calculated when VTXFLG is set to 1.

VCBPO: NS Child Benefit Family Income Phase Out

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

VCGTC: N.S. Caregivers Tax Credit

VCGTC multiplied by VPNTCR is the maximum amount of the Nova Scotia Caregiver Tax Credit (impcgtc). The parameter is only used when the provincial tax on taxable income is calculated (VTXFLG = 1).

For more explanation see VCGTCFLG.

VCGTCFLG: N.S. Caregivers Tax Credit Activation Flag

The calculation of the Nova Scotia Caregiver Tax Credit (impcgtc) is activated by the flag VCGTCFLG.

The Caregiver Tax Credit (impcgtc) provides additional tax assistance to individuals who provide in-home care for relatives. Eligible recipients include individuals residing with and providing in-home care for a parent or grandparent over 65 years of age, or for an infirm dependent relative.

This variable is the sum of modelled Caregiver Tax Credits for all dependants other than spouse. (Line 315 and Schedule 12 in the General Tax Guide)

The base level of the credit is VCGTC. Based on the results of a study pertaining to the presence of elderly parents within the economic family, a take-up rate VCGTCTC was determined. The take up rate is based on the age of a potential parent, assigned to individuals with idefrh = 3, according to SCF 1994 data. Users have access to a take-up rate VCGTCTK based on employment income to select the appropriate number of beneficiaries.

The benefit, impcgtc, is reduced for each dollar of net income, iminet, in excess of VCGTCTD.

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

VCGTCTC: N.S. Caregivers Tax Credit Take Up Rate by Age of Elderly [age,rate]

This is the first take-up rate used in the calculation of Nova Scotia's impcgtc. It selects an individual with idefrh = 3 and assign him/her as a parent according to observed probability in SCF 1994. The probability is also based on idage.

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

VCGTCTD: N.S. Caregivers Tax Credit Turndown 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).

VCGTCTK: N.S. Caregivers Tax Credit Take Up Rate by Income Level [employment income, rate]

This is a take-up rate based on employment income for the Nova Scotia non-refundable caregivers' tax credit. Users can set values to select the appropriate number of beneficiaries.

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

VCHATL1: N.S. Charitable Donations Amount Level 1

The level above which the proportion of Nova Scotia Charitable Donations and Gifts to the Crown (imchara) may be claimed as a tax credit increases. The parameter is only used when the provincial tax on taxable income is calculated (VTXFLG = 1).

VCHATR1: N.S. Charitable Donations Tax Credit Rate 1

The proportion of charitable donations below the first level (VCHATL1) that may be claimed as a Nova Scotia non-refundable tax credit. The parameter is only used when the provincial tax on taxable income is calculated (VTXFLG = 1).

VCHATR2: N.S. Charitable Donations Tax Credit Rate 2

The proportion of charitable donations above the first level (VCHATL1) that may be claimed as a Nova Scotia non-refundable tax credit. The parameter is only used when the provincial tax on taxable income is calculated (VTXFLG = 1).

VDAFWC: NS Direct Assistance Benefit for Families with Children Flag

When this parameter is set to 1, the Nova Scotia Direct Assistance Benefit is only granted to families with children. This amendment to the Direct Assistance Program was announced in the Nova Scotia 2000 Budget. When this flag is activated, the benefit is targeted to low-income working families whose income is below VDASI for lone parent families and VDACI for couples with children. The maximum benefit per family is VDACB.

VDTCR: N.S. Dividend Tax Credit Rate

This is the proportion of taxable dividends received (imidivt) which will be given for the Nova Scotia dividend tax credit (impdtxc). The parameter is only used when the provincial tax on taxable income is calculated (VTXFLG = 1).

VEDXPM: N.S. Education Amount Per Month

Dollar amount multiplied by number of eligible months to determine the Nova Scotia education tax credit. The parameter is only used when the provincial tax on taxable income is calculated (VTXFLG = 1).

VEMXM: N.S. Equivalent to Married Amount

This parameter represents the equivalent to married tax credit when Nova Scotia tax is calculated as a tax on taxable income. It is only calculated when VTXFLG is set

to 1.

VEMXMT: N.S. Equivalent to Married Turndown Level

This parameter represents the provincial equivalent to married exemption turndown when Nova Scotia tax is calculated as a tax on taxable income. It is only used when VTXFLG is set to 1. The reduction is calculated as the dependant's net income less the turndown VEMXMT.

VMAXDX: N.S. Maximum Disability Deduction Amount

This value represents the maximum Nova Scotia non-refundable disability tax credit. It is given to all individuals with a positive value for imputed Disability Deduction (imdisex). The parameter is only used when the provincial tax on taxable income is calculated (VTXFLG = 1).

VMAXET: N.S. Maximum on Transfer of Education and Tuition Amount

The maximum dollar amount of the combined Nova Scotia Education and Tuition Tax Credits that may be transferred between spouses or from a dependent to a supporting parent. The parameter is only used when the provincial tax on taxable income is calculated (VTXFLG = 1).

VMXM: N.S. Married Amount

This parameter represents the married tax credit when Nova Scotia tax is calculated as a tax on taxable income. It is only used when VTXFLG is set to 1.

VMXMT: N.S. Married Amount Turndown Level

This parameter represents the provincial married exemption turndown when Nova Scotia tax is calculated as a tax on taxable income. It is only used when VTXFLG is set to 1. The reduction is calculated as the dependant's net income less the turndown VMXMT.

VPNTCR: N.S. Provincial Non-Refundable Tax Credit Rate

This single parameter sets the tax credit rate for all of the non-refundable tax credits in Nova Scotia. Each tax credit is calculated separately and summed for a total credit. The parameter is only used when a provincial tax on taxable income is calculated (VTXFLG = 1).

VPTX: N.S. Provincial Tax Table [taxable income, basic provincial tax]

This table represents the Nova Scotia tax curve used when calculating the tax on taxable income (VTXFLG = 1). The first column represents Taxable Income, the second represents the amount of Basic Provincial Tax payable at that level of taxable income, the third column represents the marginal tax rate for the interval between this and the next value in the table.

Only the first and third columns of the tax table need be specified. The second column is computed by the standard algorithm.

VTXFLG: N.S. Tax on Taxable Income Activation Flag

When this flag is turned on, Nova Scotia taxes get calculated as a tax on taxable income instead of as a percentage of federal taxes.

VYPNDL: N.S. Pension Income Deduction Amount

This is the maximum dollar amount of pension income which may be claimed as a Nova Scotia non-refundable tax credit. The parameter is only used when the provincial tax on taxable income is calculated (VTXFLG = 1).

Variable Guide

This section includes descriptions of all new variables introduced in version 8.0. Variables which have been deleted, or whose interpretations have changed, are also described and are identified in this section by a preceding asterisk.

ALPHABETICAL LISTING OF VARIABLES**fxrgvlot: ratio of spending on government lotteries**

This is the ratio of government lotteries over all recreational services (fxio37).

***idfdfatc: Forward averaging tax credit (478)**

There were not enough records on the database in order to impute the forward averaging tax credit.

***imamtc: Alberta married and equivalent to married tax credit**

This variable was renamed to impmartc.

imamtinc: Net Adjusted Income used for Minimum Tax

This represents the net adjusted income used to calculate the Alternate Minimum Tax. When the provinces calculate tax on taxable income, this variable may be used to calculate their own minimum tax.

imcgtcp: Dependant Caregiver tax credit amount

This variable represents the amount of the caregiver tax credit for a dependent that can be claimed by a relative who provides in-home care. It is used to determine the total amount of the caregiver tax credit (imcgtc) claimed by another person.

imiloss: Modelled Business Investment Losses (217)

Allowable business investment losses deduction for debts of Canadian-controlled private corporations and allowable capital losses arising from the termination of an indexed security investment plan (ISIP). The capital gains inclusion rate (CAPGIR) is applied to the database variable (idiloss). Corresponds to Lines 217, General Tax Guide.

imiotax: Ontario Taxable Income

The value of taxable income for the province of Ontario when OCAPGIR is activated.

immhmas: Manitoba Homeowners Assistance

This variable is the Manitoba Homeowners Assistance. When MHMASOPT is set to 1, the Manitoba Homeowners Assistance (immhmas) is modelled. Any family with non-zero property taxes (improptx) is assumed to have had the minimum amount of assistance (MPMINC) taken off as a deduction from their municipal property tax statement.

When the option is set to 2, immhmas is set to the database variable (idhomstu).

imncb: Newfoundland Child Benefit

This variable represents the value of the Newfoundland and Labrador Child Benefit which is a tax-free payment to help low-income families with the cost of raising children under age 18. Benefits from this program are combined with the Canada Child Tax Benefit into a single monthly payment. The program was implemented in July 1999.

When the program is activated by turning on NCBFLG, families receive a benefit which depends on the number of children in the family (NCB1, NCB2, NCB3 and NCB4). The benefit is reduced when net family income is greater than NCBTD and is completely phased out when net family income is at least NCBPO.

imotxdv: Ontario taxpayer dividend

The taxpayer dividend (imotxdv) is equal to taxes paid in the previous year up to a maximum (OTXDVMAX). People who paid over 0\$ in taxes would get a minimum rebate of OTXDVMIN. The benefit is included in refundable tax credits. Since it is based on the previous year's taxes, the taxes are multiplied by OPYTAX in order to estimate the lagged effect.

imothpe: Other dependant tax credit (306)

This item is the total allowed tax credit for older infirm dependants resident in Canada. These may include parents, grandparents, brothers, sisters (including in-laws), aunts and uncles (including in-laws). Up to 1992, this value was calculated in Schedule 6 and was included in line 305 Additional personal amounts, which also included the Equivalent to Married tax credit. As of 1993, it is calculated in Schedule 7 and is reported in line 306. The credit is calculated as idothpe times FNTCR.

impatxc: Provincial Age Amount Tax Credit

This represents the provincial age tax credit. It is only calculated when the province's tax on taxable income flag is turned on.

The provincial age tax credit is calculated in the same manner as the federal credit. See imatxc or the provincial parameters for more details.

impatxcr : Provincial Total Tax Credits Applied

This value represents the amount of non-refundable, non-transferable tax credits which have been applied to reduce Basic Provincial Tax. If the amount of the tax credits exceeds Basic Provincial Tax, then the amount applied equals Basic Provincial Tax. It is only calculated when a province turns on their tax on taxable income flag.

impbtc: Provincial Basic Amount

This represents the provincial basic personal amount. It is only calculated when the provincial tax on taxable income flag is turned on.

impcgtc: Provincial Caregiver Tax Credit Level

This represents the provincial caregivers tax credit. It is only calculated when the province's tax on taxable income flag is turned on.

The credit is calculated in the same manner as the federal credit (imcgtc). See imcgtc or each province's parameters for more details.

impcgtcp: Provincial Dependant Caregiver Tax Credit Amount

This represents the dependant caregiver amount. It is only calculated when the province's tax on taxable income flag is turned on.

It is calculated in the same manner as the federal credit. See imcgtcp or the provincial parameters for more details.

impchrtc: Provincial Charitable Donations Tax Credit

This represents the charitable donations tax credit. It is only calculated when the province's tax on taxable income flag is turned on.

It is calculated in the same manner as the federal credit. See imchartc or the provincial parameters for more details.

impcpctc: Provincial CPP/QPP Contributions Tax Credit

This represents the provincial CPP/QPP tax credit. It is only calculated when the province's tax on taxable income flag is turned on.

It is calculated in the same manner as the federal credit. See imcppctc or the provincial parameters for more details.

impctxct: Provincial Tax Credits Transferred from Children

This is the total amount of provincial tax credits transferred to a parent from all dependent children. It amounts to the sum of the disability tax credit (impdistc), education tax credit (impedtxc), and tuition tax credit (imptutxc).

impdistc: Provincial Disability Tax Credit

This represents the provincial disability tax credit. It is only calculated when the province's tax on taxable income flag is turned on.

It is calculated in the same manner as the federal credit. See imdisatc or the provincial parameters for more details.

impdtxc: Provincial Dividend Tax Credit

This represents the provincial dividend tax credit. It is only calculated when the province's tax on taxable income flag is turned on.

It is calculated in the same manner as the federal credit. See imfdtxc or the provincial parameters for more details.

impedtxc: Provincial Education Tax Credit

This represents the provincial education tax credit. It is only calculated when the province's tax on taxable income flag is turned on.

It is calculated in the same manner as the federal credit. See imedtxc or the provincial parameters for more details.

impmartc: Provincial Married and Equivalent to Married Tax Credit

This represents the provincial married and equivalent to married tax credits. It is only calculated when the province's tax on taxable income flag is turned on.

It is calculated in the same manner as the federal credit. See immartxc or the provincial parameters for more details.

impmedtc: Provincial Medical Expenses Tax Credit

This represents the provincial medical expenses tax credit. It is only calculated when the province's tax on taxable income flag is turned on.

It is calculated in the same manner as the federal credit. See immedatc or the provincial parameters for more details.

imppentc: Provincial Pension Income Tax Credit

This represents the provincial pension income tax credit. It is only calculated when the province's tax on taxable income flag is turned on.

It is calculated in the same manner as the federal credit. See impentxc or the provincial parameters for more details.

impvrtax: Provincial Gross Provincial Tax

This is an intermediate value of provincial tax which is calculated by looking up Taxable Income (imitax) in the provincial tax table. It is only calculated when a province turns on their tax on taxable income flag.

impstxct: Provincial Tax Credits Transferred from Spouse

This variable represents the amount of provincial transferable tax credits (the sum of the Age (impatxc), Disability (impdistc), Education (impedtxc), Tuition (imptutxc), and Pension Income (imppentc) Tax Credits) actually transferred to a spouse after reduction based on the net income of the transferring spouse. It only calculated when a province turns on their tax on taxable income flag.

imptaxcr: Provincial Total Tax Credits

This represents the total provincial tax credits available to reduce basic provincial tax (imbpt) including non-transferable tax credits (impatxcr), transferable credits, credits transferred from the spouse (impstxct), and credits transferred from children (impctxct).

impttxct: Provincial Total Tax Credits Transferred

This variable reports the sum of the provincial Age (impatxc), Disability (impdistc), Education (impedtxc), Tuition (imptutxc), and Pension Income (imppentc) Tax Credits which may be transferred from a dependant to a supporting parent or between spouses. It is only calculated when a province turns on their tax on taxable income flag.

imptutxc: Provincial Tuition Tax Credit

This represents the provincial tuition tax credit. It is only calculated when the province's tax on taxable income flag is turned on.

It is calculated in the same manner as the federal credit. See imtutxc or the provincial parameters for more details.

impuictc: Provincial UI/EI Contributions Tax Credit

This represents the provincial UI/EI contribution tax credit. It is only calculated when the province's tax on taxable income flag is turned on.

It is calculated in the same manner as the federal credit. See imuictc or the provincial parameters for more details.

imqcapgx: Quebec Modelled Capital Gains Deduction (254)

The amount which can be claimed as a deduction if a filer sells or disposes of eligible capital property.

imqcchc: Quebec child's non-refundable credit

This is the maximum amount of non-refundable credit that could be claimed on behalf of a child under the Quebec tax system.

***imqchartc: Quebec allowable charitable donations tax credit**

This variable was renamed to imqchatc in order to be under 8 characters long.

imqchatc: Quebec allowable charitable donations tax credit

This is the total allowable charity and gifts non-refundable tax credit. This is calculated when QGIFTOPT is set to 2, otherwise it is imqchara.

When QGIFTFLG is set to zero, this is the sum of the lesser of total charitable donations, idcharit, and the percentage QCHATNF of net income imqinet, and idgifts.

When QGIFTFLG is set to 1, the same maximum rule based on net income applies to both idcharit and idgifts.

See also QGIFTFLG and QGIFTOPT.

imqcppse: Quebec Self Employed QPP/PPP Contributions Deduction

This variable represents the value of contributions to CPP/QPP from pensionable self-employed earnings that is to be converted into a deduction in the calculation of income. It is calculated only when QITSFSEW is set to 1, and represents the allowable proportion (QITSSEF) of the tax credit granted in respect of amount of CPP/QPP contributions on self-employed earnings that is to be converted to a deduction. This new deduction will be applied to the calculation of income under the simplified tax system and to the income used to determine the contribution to the Health Services Fund payable by individuals. This system will standardize the tax treatment applicable to that part of the contribution paid by a worker in respect of pensionable self-employed earnings that could be equated with an employer's contribution, and refrain from excluding a growing number of self-employed workers from the simplified tax system.

See also: QITSSEF, QITSFSEW.

imqiloss: Quebec Modelled Business Investment Losses (217)

Allowable business investment losses deduction for debts of Canadian-controlled private corporations and allowable capital losses arising from the termination of an indexed security investment plan (ISIP). The capital gains inclusion rate (QCAPGIR) is applied to the database variable (idiloss).

imqmedrc: Quebec Refundable Tax Credit for Medical Expenses

The Quebec refundable tax credit for medical expenses is calculated for persons aged 18 and over who had employment related earnings greater than QMEDRMIN. The maximum refundable credit will be the lesser of QMEDRMAX and QMEDRATE percent of eligible medical expenses (imqmeda). It is reduced by QMEDRRR percent of net family income in excess of QMEDRTD.

imqstkdd: Quebec Modelled Stock Option Deduction (249)

The allowed deduction for benefits received for qualifying stock options after the application of the capital gains inclusion rate (idstkded * (1-QCAPGIR)).

imsctxc: Saskatchewan Non-refundable Child Tax Credit

This represents the value of the calculated Saskatchewan Child Tax Credit. When Saskatchewan Tax on Taxable Income is flagged on (STXFLG=1), this credit is derived by multiplying the tax credit amount (SCNTC) by the number of children in the census family and the provincial non-refundable tax credit rate (SPNTCR).

imssstxc: Saskatchewan Senior Supplement Tax Credit

This represents the value of the calculated Saskatchewan Senior Supplement Tax Credit. When Saskatchewan Tax on Taxable Income is flagged on (STXFLG=1), this credit is derived by multiplying the tax credit amount (SSSTC) by the provincial non-refundable tax credit rate (SPNTCR) for individuals aged 65 and over.

imsstc: Saskatchewan Sales Tax Credit

Introduced in the 2000 budget, the Saskatchewan Sales Tax Credit became effective April 1, 2000.

The program is activated by setting SSTCFLAG to 1. The Saskatchewan Sales Tax Credit (imsstc) will consist of an adult component and a child component. This credit will be fully refundable and is assigned to the spouse with the higher income. SSTCPI represents the program phase in rate.

The adult component of the Saskatchewan Sales Tax Credit will rise at a rate of SSTCBASPIR of individual net income up to a maximum (SSTCBAS). It will be reduced at a rate of SSTCRR as family net income increases above SSTCBASTD. An individual will also be eligible for SSTCSP in additional benefits for a dependent spouse or equivalent. This amount will be reduced at a rate of SSTCRR as family net income rises over SSTCSPTD.

The child component of the Saskatchewan Sales Tax Credit will provide an additional SSTCKID per child. For two-parent families, the maximum child component will be SSTCKID + SSTCKID. For single parent families, the first child will be eligible for the adult benefit of SSTCSP and the maximum child component will be SSTCKID. The child component of the Credit will be reduced at a rate of SSTCRR as family net income rises over SSTC1KIDTD for families with one qualifying child. For families with more than one qualifying child, the Credit will be reduced at a rate of SSTCRR as family net income rises over SSTC2KIDTD.

ucmtyp: Main Claim type (majority of weeks)

Claims may cover more than one type of benefit. The variable ucctyp is the type of claim which was first claimed. The variable ucmtyp is the type of claim for which the most weeks were claimed.

In this version of the database, the following claim types have been assigned "regular" claim status:

- Self Employment Assistance
- Job Creation Partnerships
- Skills Loans and Grants

Targeted Wage Subsidies
Targeted Earnings Supplement
Support Measures

When UIEIMTYPFLG is turned on, instead of calculating the benefit eligibility and amount using the original claim type (ucbtyp), the main type of claim is used (ucmtyp). Note that when a claim starts with sickness, maternity, or parental benefits and also includes regular benefits (uctpcng), a regular claim is modelled.

Source:
EIC Administrative Data.

Growth and Validation Guide

WEIGHT FILE UPDATES

Data from the Labour Force Survey 1999 were used to revise the weight structures from 1999 to 2003. For the years 2000 to 2003, the unemployment and employment to population ratios are assumed to remain as in 1999.

GROWTH UPDATES

The database growth parameters were recalculated for the 8.0 release. From 1984 to 1998, most growth parameters were adjusted to reflect the growth rates in the System of National Accounts. Wages and Salaries for 1999 were also available. 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.

Conference Board forecasts by province were used to grow parameters for 1999, 2000 and 2001. The growth rates for 2001 were held constant in order to grow to 2003.

The growth methodology for expenditures has changed. The distribution of expenditures is now held constant and all expenditures are grown using GDP.

Model parameter projection, which occurs when no official estimate is available, was done using Average Industrial Wage and the Consumer Price Index. The Conference Board forecast was used for Average Industrial Wage with the 2001 growth rate held constant for 2002 and 2003. A constant 1.8% increase in the CPI was assumed as per the federal budget.

Online Documentation

The SPSPD/M online documentation provides quick access to the full Documentation Guides. These online guides will only work Microsoft Windows 95/98 or Windows NT.

The installation is now done as a package within the main SPSPD/M installation. It will result in a file spsme.hlp in the main spsm folder. In order to use the help facility, navigate to the folder and run the file (e.g. using Explorer). You can navigate within the documentation in several ways: you can examine the index, use a full text search to identify which topics contain a given word or phrase or navigate using the hierarchical structure. A help file on using the online documentation is included and can be accessed from the application's help menu.

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

Database Creation Guide

Two major adjustments were made to improve consistency with published data: the wages and salaries distribution and the population at December 31.

WAGES AND SALARIES

In Survey on Consumer Finances for 1995, the wages and salaries were 6.8% higher than the corresponding SNA number. Because SPSPD/M is largely based on this source of income, we had to investigate the sources of inconsistencies. One obvious source is SCF is a sample which exclude some peoples like the aboriginal people in reserve. SNA number is based on T4 data, which covers mostly the whole population – some employers never submit T4.

Data comparison between SCF and T4 shows that SCF is producing too many people in the range of 15,000\$ to 25,000\$. This lead to a reweighting of the SCF where we tried to preserve the original high income population, which is subject to a special adjustment explained in Database Creation Guide. We also tried to preserve the number of people with self-employment income, and the average of self-employment income by province (as in SCF).

The experiments we did also show that the tail of the wage and salaries distribution is modified by the reweighting. We had to take care of this problem using very small income groups at the lower end of the income distribution and splitting the highest income group into sub groups. An evaluation of the adjustment process shows that we are producing the right number of people in our income category (by province) but total income remains high in those categories compared to T4. The final solution is to adjust wages and salaries while reading the database. An adjustment parameter, IEMPADJ, based on income category and province is used at the creation step to correctly reproduce T4 distribution by province.

As a result of those adjustments, original SCF weights, revised SCF weights and final SPSPD/M weights are produced for the base year, 1995.

POPULATION AT DECEMBER 31

In previous releases, SPSPD/M weights for the years other than the base year were

base on the growth rate in estimated population between a given year and the base year. This growth rate was then applied to SPSPD/M base year population after adjustments for institutionalized and high-income population. Comparison of SPSPD/M population numbers with published numbers was then difficult.

This year, because we had to reweight SCF, we use the opportunity to calibrate the population to published population number. This means that the revised SCF weights are adjusted to the most recent estimation of the population in 1995, adjusted for institutionalized population. After the usual adjustments we do for institutionalized and high income population, the final SPSPD/M weights are adjusted to the total population in 1995.

Estimations for the population are published for July 1 of each year. For SPSPD/M purpose, a more accurate measure of the population, for income tax purpose and transfers, is the population at the end of the year. All the new SPSPD/M weights represent the population in December 31 of each year. For a given year, the number of people in an age/sex/province group, it is a simple average of the estimated population in July 1 of the year and the next year.