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NOTICE TO READER

The following commentary has been prepared by Parker Garber & Chesney, LLP based on information available to the public on the date of publishing.

Readers are cautioned that this commentary is informational only and that any issues specific to the reader's needs be addressed with the appropriate tax professional.

The reader is cautioned that this document is not meant to provide advice specific to the reader's particular situation and that advice cannot be given in such a manner.

CORPORATE TAX

ONTARIO CORPORATE TAX INSTALMENTS

It should be noted that, with the integration of the Ontario Corporations Tax Branch with the Canada Revenue Agency (CRA) effective for 2009, all corporate instalments for Ontario for fiscal years ending after December 31, 2008 should be remitted to CRA and not the Ministry of Finance.

GENERAL ISSUES

2009 AUTOMOBILE DEDUCTION LIMITS

The Minister of Finance has announced the limits for 2009 which will remain unchanged from 2008 which in turn have not changed from 2007. It appears the mandarins at the Ministry still live in that vacuum that has indicated a lack of recognition of the cost of purchasing or leasing and operating a vehicle.

The maximum price of a vehicle for capital cost allowance remains at \$30,000 before tax.

The maximum lease amount that can be deducted remains at \$800 before tax.

The maximum deductible interest expense on a loan to purchase a vehicle remains at \$300 per month.

The tax-exempt allowance per kilometre remains at \$0.52 per kilometre for the first 5,000 kilometres and \$0.46 for each additional kilometre.

