



# July 2007 Tax Updates

June 25, 2007

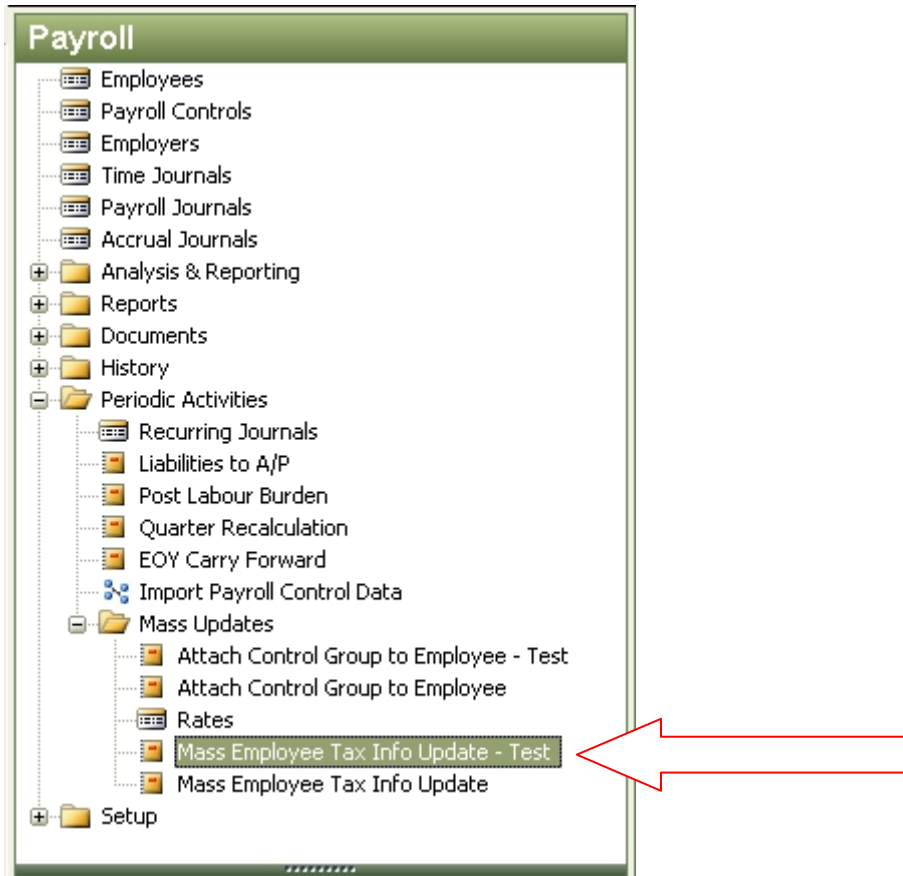
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# CHANGING THE BASIC PERSONAL EXEMPTION

This process may be run in a test mode prior to applying the update. The test mode allows you to view the change report before the process is actually run. The process inserts a new Tax Authority record on the **Employee Card > Tax Authorities** – *it does not replace the existing record*. If an employee has additional credits, the process will accordingly increase or reduce the existing TD1 value by the amount of change to the basic exemption. This only adjusts the Basic Personal Amount. Any other amounts claimed must be adjusted manually.

From the **Payroll Menu > Periodic Activities > Mass Updates**



Select **Mass Employee Tax Info Update – Test**.

The following screen will open:

Mass Emp. Tax Info Update Test

Options

TD1 Tax Credit Changes

Effective Date. . . . .

Reporting Authority	Old Amount	New Amount
<input type="text"/> ↑	<input type="text"/> 0.00	<input type="text"/> 0.00
<input type="text"/> ↑	<input type="text"/> 0.00	<input type="text"/> 0.00
<input type="text"/> ↑	<input type="text"/> 0.00	<input type="text"/> 0.00
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<input type="text"/> ↑	<input type="text"/> 0.00	<input type="text"/> 0.00
<input type="text"/> ↑	<input type="text"/> 0.00	<input type="text"/> 0.00
<input type="text"/> ↑	<input type="text"/> 0.00	<input type="text"/> 0.00
<input type="text"/> ↑	<input type="text"/> 0.00	<input type="text"/> 0.00

Print... Preview Cancel Help

Use the effective date of July 1<sup>st</sup>, 2007.

Using the look up on the Reporting Authority field, select your appropriate provincial Reporting Authorities, and enter the old and new amounts accordingly.

**BC TAX**

- No Changes

**AB TAX**

- No Changes

**SK TAX**

- No Changes

**MB TAX**

- No Changes

**ON TAX**

- No Changes

**QC TAX**

- No Changes

**NB TAX**

- No Changes

**PE TAX**

- In the Old Amount field, enter **7412.00**
- In the New Amount field, enter **7708.00**

**NS TAX**

- No Changes

**NL TAX**

- In the Old Amount field, enter **7410.00**
- In the New Amount field, enter **7558.00**

**YT TAX**

- No Changes

**NT TAX**

- No Changes

**NU TAX**

- No Changes

Your screen will look like one of the following:

Options

TD1 Tax Credit Changes

Effective Date. . . . . 07/01/07

Reporting Authority	Old Amount	New Amount
NLTAX	7,410.00	7,558.00
	n.nn	n.nn

Options

TD1 Tax Credit Changes

Effective Date. . . . . 07/01/07

Reporting Authority	Old Amount	New Amount
PETAX	7,412.00	7,708.00
	n.nn	n.nn

Print the report. It will give you the before and after values for all employees.

Review the report for Employees that have TD1 amounts that are not equal to the Basic Personal Amount. These employees may require further adjustments if the amounts they claim have been indexed.

Print Preview

Mass Employee Tax Information Update Test  
CRONUS Canada, Inc.

June 13, 2007 2:17 PM  
1 Page  
ODT

Payroll Reporting Authority: NLTAX

Employee No.	Old Effective Date	Old Total Credits Claimed	New Effective Date	New Total Credits Claimed
AH	01/01/07	7,410.00	07/01/07	7,558.00
JR	01/01/07	7,410.00	07/01/07	7,558.00
LM	01/01/07	7,410.00	07/01/07	7,558.00
MD	01/01/07	7,410.00	07/01/07	7,558.00
MH	01/01/07	7,410.00	07/01/07	7,558.00
PS	01/01/07	7,410.00	07/01/07	7,558.00
RL	01/01/07	7,410.00	07/01/07	7,558.00
TS	01/01/07	7,410.00	07/01/07	7,558.00

Payroll Reporting Authority: PETAX

Employee No.	Old Effective Date	Old Total Credits Claimed	New Effective Date	New Total Credits Claimed
AH	01/01/07	7,412.00	07/01/07	7,708.00
JR	01/01/07	7,412.00	07/01/07	7,708.00
LM	01/01/07	7,412.00	07/01/07	7,708.00
MD	01/01/07	7,412.00	07/01/07	7,708.00
MH	01/01/07	7,412.00	07/01/07	7,708.00
PS	01/01/07	7,412.00	07/01/07	7,708.00
RL	01/01/07	7,412.00	07/01/07	7,708.00
TS	01/01/07	7,412.00	07/01/07	7,708.00

100% Page 1 Report generation completed (1 pages) Help

After reviewing the Test Report, from the Mass Updates menu, select Mass Employee Tax Info Update. Complete the process again but in *update mode*.

**Note: The update is applied when either Print or Preview is chosen.**

On the Employee Card, the new TD1 values will now be in place.

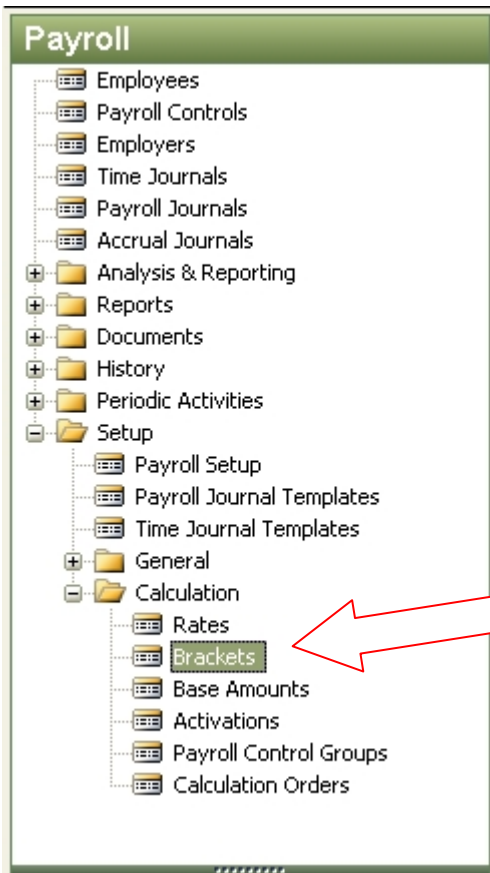
AH Annette Hill - Employee Tax Auth. Info

Tax Authority Code	Effective Date	Other Amount	Total Credits Claimed
NLTAX	01/01/07	0.00	7,410.00
NLTAX	07/01/07	0.00	7,558.00
PETAX	01/01/07	0.00	7,412.00
PETAX	07/01/07	0.00	7,708.00

Help

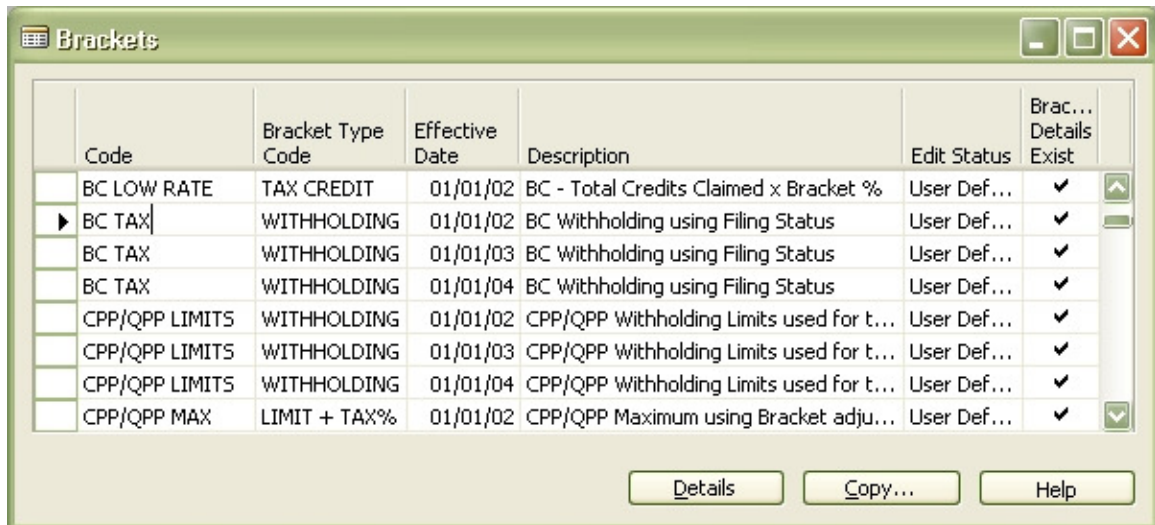
# ADJUSTING THE TAX BRACKETS

From the **Payroll Menu > Setup > Calculation**



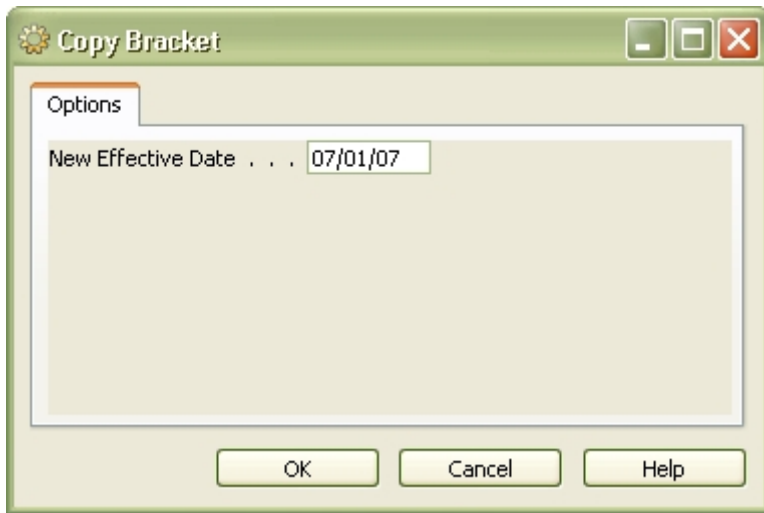
Select Brackets

The following screen will open:



Using the Copy button, create a new bracket for each of the following with the Effective Date of July 1, 2007. After copying, remember to select the record with the *July 1, 2007 Effective Date* before updating the details.





You will need to update the information in the copied brackets as follows:

## BC Brackets

### BC TAX

Withholding Bracket Amounts BC TAX - Bracket Details

Reporting Authority Code	Filing Status Code	Amount Over	Tax %	Tax Amount	Limit	Max W/H
		0.00	5.35	0.00	0.00	0.00
		34,397.00	8.15	1,840.24	0.00	0.00
		68,794.00	10.5	4,643.60	0.00	0.00
		78,984.00	12.3	5,713.55	0.00	0.00
		95,909.00	14.7	7,795.32	0.00	0.00

Help

### BC LOW RATE

Tax Credit Bracket Amounts BC LOW RATE - Bracket Details

Reporting Authority Code	Filing Status Code	Activation Code	%	Amount	Min. Amount	Max. Amount
			5.35	0.00	0.00	0.00

Help

### BC TAX RED

W/H Deduction Bracket Amounts BC TAX RED - Bracket Details

Reporting Authority Code	Filing Status Code	Amount Over	Tax %	Tax Amount	Limit	Max W/H
		0.00	0	0.00	375.00	0.00
		16,646.00	3.2	0.00	375.00	0.00
		28,364.75	0	375.00	375.00	0.00

Help

## NB Brackets

### NB TAX W/H

Withholding Bracket Amounts NB TAX W/H - Bracket Details

Reporting Authority Code	Filing Status Code	Amount Over	Tax %	Tax Amount	Limit	Max W/H
		0.00	10.56	0.00	0.00	0.00
		34,186.00	16.14	3,610.04	0.00	0.00
		68,374.00	17.08	9,127.98	0.00	0.00
		111,161.00	18.06	16,436.00	0.00	0.00

Help

### NB LOW RATE

Tax Credit Bracket Amounts NB LOW RATE - Bracket Details

Reporting Authority Code	Filing Status Code	Activation Code	%	Amount	Min. Amount	Max. Amount
			10.56	0.00	0.00	0.00

Help

## PE Brackets

### PE TAX W/H

Withholding Bracket Amounts PE TAX W/H - Bracket Details

Reporting Authority Code	Filing Status Code	Amount Over	Tax %	Tax Amount	Limit	Max W/H
	↑	0.00	9.8	0.00	0.00	0.00
		31,984.00	13.8	3,134.43	0.00	0.00
		63,969.00	16.7	7,548.36	0.00	0.00

Help

### PE SURTAX

W/H Deduction Bracket Amounts PE SURTAX - Bracket Details

Reporting Authority Code	Filing Status Code	Amount Over	Tax %	Tax Amount	Limit	Max W/H
	↑	12,500.00	10	0.00	0.00	0.00

Help

## NL Brackets

### NL TAX W/H

Withholding Bracket Amounts NL TAX W/H - Bracket Details

Reporting Authority Code	Filing Status Code	Amount Over	Tax %	Tax Amount	Limit	Max W/H
		0.00	8.7	0.00	0.00	0.00
		30,182.00	13.8	2,625.83	0.00	0.00
		60,364.00	16.5	6,790.95	0.00	0.00

Help

### NL LOW RATE

Tax Credit Bracket Amounts NL LOW RATE - Bracket Details

Reporting Authority Code	Filing Status Code	Activation Code	%	Amount	Min. Amount	Max. Amount
			8.7	0.00	0.00	0.00

Help

# ADJUSTING THE NL TAX CALCULATION METHOD

From the **Payroll Menu > Payroll Controls**

Lookup the NL TAX Payroll Control Card

General Calculations

Code . . . . . NL TAX

Type . . . . . Income Tax

Name . . . . . NL Income Tax Withheld

Reporting Authority Type Provincial/State

Reporting Authority C... NL TAX

Tax Type Code . . . . .

Edit Status . . . . . User Defined

Source Pay Control . . . . .

G/L Post Type . . . . . Post Liability a...

Payroll Posting Group . . . FIT

Print on Cheque . . . . . Current+YTD

Normal Sign . . . . . Negative

Post as Absence . . . . .

Cause of Absence Code . . . . .

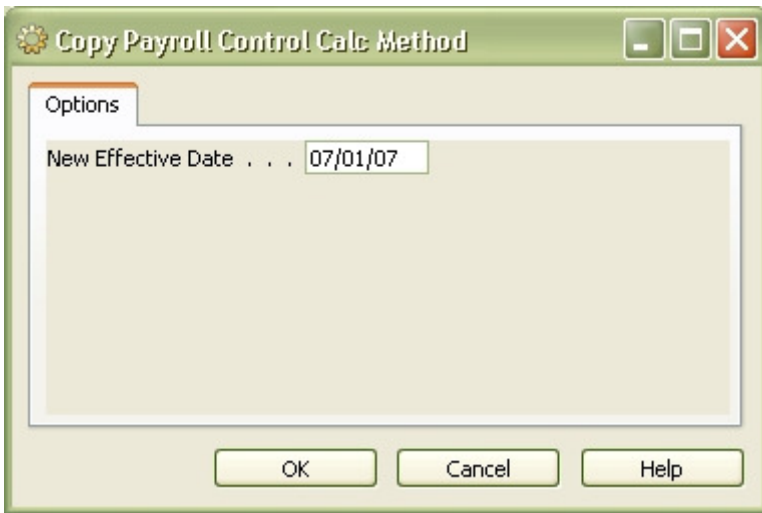
Pay Control Calculation Copy... Help

From the Calculation menu button select the Calc. Method menu item.

Effective Date	Description
01/01/02	Newfoundland Labrador Income Tax Calculation
01/01/03	Newfoundland Labrador Income Tax Calculation
07/01/05	Newfoundland Labrador Income Tax Calc with LCP
07/01/07	Newfoundland Labrador Income Tax Calc with LCP

Steps Copy... Help

Using the Copy button, create a new calculation method with the Effective Date of July 1, 2007. After copying remember to select the record with the July 1, 2007 Effective Date before updating the details.



Update the calculation method to match the following:

**NOTE: The ADD BASE AMOUNT lines are dependent on the client setup. Leave the ADD BASE AMOUNT lines as they were from the original calculation method.**

Method Step Code	Base Amount Code	Payroll Rate Code	Bracket Type Code	Bracket Code	Activation Code
ADD BASE AMOUNT	EARN BONUS PRETAX				
ADD BASE AMOUNT	TAXABLE BENEFITS				
SUB ANNUAL DEDUCTION					
SUB PZ DEDUCTION					
STOP IF TAX EXEMPT					
EXCEPT IF TAXABLE=0					
STOP IF EXCEPT					
ADJUSTED IS TAXABLE					
APPLY TAX BRACKETS			WITHHOLDING	NL TAX W/H	
PERSONAL TAX CREDIT			TAX CREDIT	NL LOW RATE	
CALC CREDIT BASE W	CPP/QPP EE		WITHHOLDING	CPP/QPP LIMITS	
CREDIT % OF ADJUSTED			TAX CREDIT	NL LOW RATE	
CALC CREDIT BASE W	EI EE		WITHHOLDING	EI LIMITS	
CREDIT % OF ADJUSTED			TAX CREDIT	NL LOW RATE	
OTHER ANNUAL CREDITS					
EXTRA W/H					
▶ SUB LCF/LCP					

Note:  
The **SUB LCF/LCP** may or may not appear in your method steps

Remove the **ADJUSTED IS -AMOUNT** & **APPLY SURTAX** method steps that came after the **OTHER ANNUAL CREDITS** method step