

**The new rates and brackets will begin to be implemented on October 1, 2015.** However, annual provincial income tax rates must come into effect on January 1 of the respective year, as the personal income tax system only supports annual rates. As a result, **lower prorated rates are being introduced effective January 1, 2015 to reflect an October 1 introduction of the full rates.**

When filing taxes for 2015, tax filers will be assessed based on their total 2015 taxable income and the prorated tax rates. Tax credit and deduction amounts for the 2015 tax year will remain unchanged.

Alberta has asked the federal government to begin administering these changes October 1, 2015. As a result, the withholding tables used by employers will be changed to reflect the new higher rates. The result of this, for those impacted, is that **the taxes withheld from individual paychecks after October 1 will reflect the new rates ranging from 12% to 15%.** However, **the prorated rates for 2015 will appear on the 2015 income tax forms.** The proposed tax rate changes are shown below:

<b>Taxable Income Bracket</b>	<b>2014 (single rate)</b>	<b>2015</b>	<b>2016 and later</b>
<b>Changes to Alberta's Personal Income Tax Structure by Year</b>			
<b>On first \$125,000 of taxable income</b>	<b>10%</b>	<b>10%</b>	<b>10%</b>
<b>On next \$25,000, from \$125,000 to \$150,000</b>	<b>10%</b>	<b>10.5%</b>	<b>12%</b>
<b>On next \$50,000, from \$150,000 to \$200,000</b>	<b>10%</b>	<b>10.75%</b>	<b>13%</b>
<b>On next \$100,000, from \$200,000 to \$300,000</b>	<b>10%</b>	<b>11%</b>	<b>14%</b>
<b>On taxable income above \$300,000</b>	<b>10%</b>	<b>11.25%</b>	<b>15%</b>