For other dependants (as defined in the law)	$ 550 a dependant
Where taxpayer is over 65 years of age*	additional $500
Where taxpayer is blind or confined for the whole of the taxation year to a bed or a wheelchair	additional $500
Charitable donations	up to 10% of income
Medical expenses	in excess of 3% of income

In lieu of claiming deductions for charitable donations and medical expenses an individual may claim a standard deduction of $100.

As already stated, an individual resident in Canada is taxed on his income from both inside and outside Canada. An individual not resident in Canada at any time during the year but who carries on business in Canada or who earns salary or wages in Canada is taxed only on the income earned in Canada. In computing taxable income earned in Canada such a non-resident is allowed to deduct that part of the exemptions and deductions that may reasonably be attributed to the income earned in Canada. (A non-resident who derives investment income from Canada is taxed in a different way described under a separate heading). An individual who ceases to be a resident of Canada during the year, or who becomes a resident during the year so that he is resident for only part of the year, will be subject to income tax in Canada on only that part of his income for the year received while he is resident in Canada. Under these circumstances, the deductions from income permitted in determining taxable income will be the amount that may reasonably be considered as applicable to the period during which he is resident in Canada.

A progressive schedule of rates is applied to taxable income. These rates begin at 11 per cent on the first $1,000 of taxable income and increase to 80 per cent on taxable income in excess of $400,000. In addition, an old-age security tax is levied on taxable income at the rate of 4 per cent, with a maximum of $240 reached at the level of $6,000.

After calculating income tax using this progressive schedule of rates, an individual is allowed a deduction from such tax under four main headings:

a) Dividend tax credit:

In order to partially eliminate the double taxation of corporate profits and to encourage participation in the ownership of Canadian companies, Canadian residents are allowed to deduct from their tax an amount equal to 20 per cent of the net dividends they receive from Canadian taxable companies.

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* This special deduction is not granted to taxpayers under 70 years of age who receive an old-age security pension.