

# Federal tax changes come into effect as new year begins

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OTTAWA—The new year brings with it tax changes at the federal level that will affect just about every Canadian, as well as small businesses.

One of the first changes workers will see is an increase in Canada Pension Plan premiums coming off their paycheques — the first of five years of hikes to pay for enhancements to the pension plan.

Employment Insurance premiums, on the other hand, will drop by four cents for every \$100 of insurable earnings.

Meanwhile, the small-business tax rate is going down from 10 to nine per cent. But changes to how much so-called passive income a small business can hold are also coming into effect, which is expected to push some businesses into paying a much higher corporate tax rate.

Also in 2019, low income workers can qualify for an increase in the Canada Workers Benefit. But they will have to wait until 2020 to receive the extra money.

The federal government's new carbon-pricing system will also come into effect in provinces that don't have carbon-pricing mechanisms of their own, resulting in higher costs for fossil fuels by April, and direct rebates to partly offset the increased costs.

Conservative Opposition Leader Andrew Scheer is already gearing up to make it an issue leading to the October federal election, calling 2019 the year of the carbon tax.

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