

# Sample Tax Information

## Taxes & Investment Income

### Three Types of Investment Income

The type of income produced by the investments in your portfolio affects how much you pay in tax on that income.



#### INTEREST

Earned on investments such as treasury bills, GICs and bonds.



#### DIVIDENDS

Paid as a portion of the after-tax profits made from a Canadian public company of whose stock you own.



#### CAPITAL GAINS

When an investment is sold, any profits on the investment (sales price less the original investment cost) are realized capital gains.



#### TAX TREATMENT

Interest is fully taxable at the same marginal tax rate as ordinary income.



#### TAX TREATMENT

Eligible dividends receive preferential tax treatment through the dividend tax credit.



#### TAX TREATMENT

Capital gains receive preferential tax treatment as only 50% of a capital gain is taxable.

### TAXES ON \$10,000 OF INVESTMENT INCOME - British Columbia

This chart illustrates how much tax you would pay and how much you would keep if you had \$10,000 of investment income in interest, dividends and capital gains.



Assumptions: Scenario illustrates a British Columbia resident with \$100,000 of taxable income. Calculations use marginal tax rates as of January 2021. Rates take all federal and provincial taxes, surtaxes, and the basic personal tax credit into account.