

2024 Tax Changes for Canadians: What You Need to Know

If you are a Canadian taxpayer, you need to be aware of the tax changes that will take effect in 2024. These changes will affect various aspects of your finances, from the amount of tax you pay to the deductions and credits you can claim.

Some of the most significant changes include an increase in the federal carbon tax, a second income ceiling for Canada Pension Plan (CPP) contributions, and an increase in the Employment Insurance (EI) tax rate.

The federal carbon tax will increase from \$65 to \$80 per tonne on April 1, 2024, affecting all taxpayers except those in Quebec. This increase will result in a higher price per litre of gas, with Canadians now paying 17.6 cents in carbon taxes per litre.

On the other hand, the 2024 RRSP contribution room increases to \$31,560, offering Canadians an additional \$780 in contribution room from 2023.

It's important to note that the [deadline](#) for 2023 tax-year contributions is February 29th, 2024.

If you earn more than \$68,500 annually, you will fall into a [second CPP contribution level](#) that tops out at \$73,200. However, people earning \$68,500 or less won't see any changes to their current contribution rates.

Additionally, the EI tax rate and maximum insurable earnings in Canada will increase in 2024. Employees will pay \$1,049 and employers \$1,469 for EI, which is a rise of \$47 for both. These changes are just a few of the many tax changes that will affect Canadian taxpayers in 2024.

Key Takeaways

- The federal carbon tax will increase to \$80 per tonne from \$65 per tonne on April 1, 2024.
- The 2024 RRSP contribution room increases to \$31,560, providing Canadians with an extra \$780 in contribution room.
- The EI tax rate and maximum insurable earnings in Canada will increase in 2024. A second CPP contribution rate now applies to income between \$68,500 and \$73,200.

Overview of Tax Changes for 2024

Here's what you need to know about the tax changes for Canadians in 2024.

Federal Tax Rate Adjustments

For 2024, there are no changes to the federal tax rates, but the tax brackets have been adjusted for inflation. The basic personal amount has also been increased to \$15,705. This means you won't have to pay any federal income tax if you earn less than this amount.

