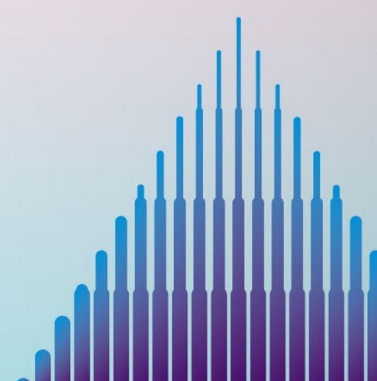




TaxNewsNow

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Alberta Resumes Indexing of Personal Income Tax Brackets and Credit Amounts

Changes to index Alberta's personal income tax system and temporarily suspend the province's fuel tax were enacted into law on December 15, 2022

Alberta will resume indexing the personal income tax system for inflation retroactive to the 2022 taxation year as part of new measures intended to fight inflation. Legislation for these changes, which also include the suspension of the province's fuel tax, were enacted into law when Alberta Bill 2 received Royal Assent on December 15, 2022.

Indexing of personal income tax brackets and credit amounts

Alberta will resume indexing the personal income tax system for inflation retroactive to the 2022 taxation year, based on data from the Consumer Price Index as reported by Statistics Canada. The province had previously paused the annual indexing of these amounts indefinitely, beginning in 2020. Under the resumption of this indexing, Alberta's tax brackets and credit amounts will increase by 2.3% for 2022 and by 6% for 2023. As a result, Alberta's personal income tax brackets for 2022 and 2023 are as follows:

Original 2022 Brackets	Indexed 2022 Brackets	Indexed 2023 Brackets	Tax Rates
Up to \$131,220	Up to \$134,238	Up to \$142,292	10%
\$131,221 to \$157,464	\$134,239 to \$161,086	\$142,293 to \$170,751	12%
\$157,465 to \$209,952	\$161,087 to \$214,781	\$170,752 to \$227,668	13%
\$209,953 to \$314,928	\$214,782 to \$322,171	\$227,669 to \$341,502	14%
More than \$314,928	More than \$322,171	More than \$341,502	15%

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Fuel tax

Alberta is also temporarily suspending the provincial 13-cent-per-litre tax on gasoline and diesel from January to June 2023.

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