

Corporate investment income tax rates* – 2018



Includes all rate changes announced up to 15 June 2018

	Investment income earned by Canadian-controlled private corporations (CCPCs) (%)		Investment income earned by other corporations (non-CCPCs) (%)	
Federal	38.67 ^{1,2}		15.00 ³	
	Provincial/territorial rates:	Combined federal and provincial/territorial rates:	Provincial/territorial rates:	Combined federal and provincial/territorial rates:
Newfoundland and Labrador	15.00	53.67	15.00	30.00
Prince Edward Island	16.00	54.67	16.00	31.00
Nova Scotia	16.00	54.67	16.00	31.00
New Brunswick	14.00	52.67	14.00	29.00
Quebec ⁴	11.70	50.37	11.70	26.70
Ontario	11.50	50.17	11.50	26.50
Manitoba	12.00	50.67	12.00	27.00
Saskatchewan ⁵	12.00	50.67	12.00	27.00
Alberta	12.00	50.67	12.00	27.00
British Columbia ⁶	12.00	50.67	12.00	27.00
Northwest Territories	11.50	50.17	11.50	26.50
Nunavut	12.00	50.67	12.00	27.00
Yukon ⁷	12.00	50.67	12.00	27.00

*Rates represent calendar-year rates unless indicated otherwise.



Notes:

1. New legislation effective in 2016 introduced a 4% increase in the federal top marginal personal income tax rate on income in excess of \$200,000 (\$205,842 in 2018) and also contained consequential amendments to the refundable additional Part I tax, Part IV tax and the refundable dividend tax on hand mechanism. For taxation years ending after 2015, the refundable additional Part I tax on investment income earned by a CCPC is increased by 4%, from 6.67% to 10.67%. As a result, the federal rate applicable to investment income earned by a CCPC is increased to 38.67% from 34.67%. The additional refundable tax as well as a portion of the regular Part I tax paid on the investment income is refundable to the CCPC as follows: 30.67% of the investment income (increased from 26.67%) is added to the CCPC's refundable dividend tax on hand account (RDTOH) and is refundable at a rate of 38.33% of taxable dividends paid (increased from 33.33%). The 13% federal general rate reduction does not apply to investment income earned by a CCPC.
2. In its 2018-19 federal budget, the government announced changes to the RDTOH regime that will limit the circumstances in which an eligible dividend will trigger a refund of RDTOH, effective for taxation years beginning after 2018, subject to transitional rules.
3. The federal general rate reduction of 13% applies to the base federal rate of 28% for active business income not eligible for other incentives, as well as to investment income earned by a non-CCPC.
4. Quebec is gradually reducing the general corporate income tax rate from 11.9% to 11.5% over four years, effective 1 January of each year beginning in 2017, in accordance with the following schedule: 2017 - 11.8%; 2018 - 11.7%; 2019 - 11.6%; and 2020 - 11.5%.
5. Saskatchewan increased the general corporate income tax rate from 11.5% to 12.0%, effective 1 January 2018. This proposal reverses the government's previously announced (and enacted) reductions in the general corporate tax rate from 12.0% to 11.5% effective 1 July 2017, and to 11.0%, effective 1 July 2019.
6. British Columbia increased its general corporate income tax rate from 11.0% to 12.0%, effective 1 January 2018.
7. In accordance with its 2017-18 budget, Yukon reduced its general corporate income tax rate from 15.0% to 12.0%, effective 1 July 2017.