

Corporate investment income tax rates* – 2019



Includes all rate changes announced up to 15 June 2019

	Investment income earned by Canadian-controlled private corporations (CCPCs) (%)		Investment income earned by other corporations (non-CCPCs) (%)	
	Provincial/territorial rates:	Combined federal and provincial/territorial rates:	Provincial/territorial rates:	Combined federal and provincial/territorial rates:
Federal		38.67 ^{1,2}		15.00 ³
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	11.60	50.27	11.60	26.60
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 ⁶				
- Prior to 1 July 2019	12.00	50.67	12.00	27.00
- After 30 June 2019	11.00	49.67	11.00	26.00
- Calendar year-end rate	11.50	50.17	11.50	26.50
British Columbia ⁷	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	12.00	50.67	12.00	27.00

*Rates represent calendar-year rates unless indicated otherwise.



Notes:

1. For taxation years ending after 2015, the refundable additional Part I tax on investment income earned by a CCPC is 10.67% and the resulting federal rate applicable to investment income earned by a CCPC is 38.67%. 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 is added to either the CCPC's refundable dividend tax on hand (RDTOH) account, or its non-eligible refundable dividend tax on hand (NERDTOH) account for taxation years beginning after 2018, and is refundable at a rate of 38.33% of taxable dividends paid. The 13% federal general rate reduction does not apply to investment income earned by a CCPC.
2. In June 2018, the government enacted changes to the RDTOH regime that will limit the circumstances in which the payment of eligible dividends will trigger a dividend refund, effective for taxation years beginning after 2018, subject to transitional rules. Under the new rules, eligible dividends may be paid only out of a private corporation's eligible refundable dividend tax on hand (ERDTOH) account.
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 11.90% to 11.50% over four years, effective 1 January of each year beginning in 2017, in accordance with the following schedule: 2017 - 11.80%; 2018 - 11.70%; 2019 - 11.60%; and 2020 - 11.50%.
5. Saskatchewan increased the general corporate income tax rate from 11.50% to 12.00%, effective 1 January 2018. This reversed the government's previously announced (and enacted) reductions in the general corporate tax rate from 12.00% to 11.50% effective 1 July 2017, and to 11.00%, effective 1 July 2019.
6. Alberta is gradually reducing the province's general corporate income tax rate from 12.00% to 8.00% by 2022. The general corporate income tax rate will be reduced to 11.00% effective 1 July 2019, and will continue to decrease by 1.00% every 1 January until 2022. As a result, effective 1 July 2019, the combined federal/provincial tax rate on investment income earned by CCPCs will decline from 50.67% to 49.67% and the combined tax rate on investment income earned by non-CCPCs will decrease from 27.00% to 26.00%.
7. British Columbia increased its general corporate income tax rate from 11.00% to 12.00%, effective 1 January 2018.