

Corporate investment income tax rates* – 2021



Includes all rate changes announced up to January 15, 2021

	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 ⁴	14.00	52.67	14.00	29.00
New Brunswick	14.00	52.67	14.00	29.00
Quebec ⁵	11.50	50.17	11.50	26.50
Ontario	11.50	50.17	11.50	26.50
Manitoba	12.00	50.67	12.00	27.00
Saskatchewan	12.00	50.67	12.00	27.00
Alberta ⁶	8.00	46.67	8.00	23.00
British Columbia	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 the CCPC's non-eligible refundable dividend tax on hand (NERDTOH) account (or its refundable dividend tax on hand (RDTOH) account for taxation years beginning before 2019) and is refundable at a rate of 38.33% of taxable dividends paid. The 13.00% 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 limit the circumstances in which the payment of eligible dividends triggers a dividend refund, effective for taxation years beginning after 2018, subject to transitional rules. Under these 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 13.00% applies to the base federal rate of 28.00% for active business income not eligible for other incentives, as well as to investment income earned by a non-CCPC.
4. Nova Scotia reduced its general corporate income tax rate from 16.00% to 14.00%, effective April 1, 2020.
5. Quebec gradually reduced the general corporate income tax rate from 11.90% to 11.50% over four years, effective January 1 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%.
6. Alberta has accelerated the tax cuts that were enacted in 2019, by reducing the province's general corporate income tax rate from 10.00% to 8.00% effective July 1, 2020. The rate was originally scheduled to be reduced from 10.00% to 9.00% on January 1, 2021 and to 8.00% on January 1, 2022. The general corporate income tax rate was already reduced to 11.00% effective July 1, 2019 and to 10.00% effective January 1, 2020.