

Corporate investment income tax rates* – 2022

Includes all rate changes announced up to January 15, 2022

	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	14.00	52.67	14.00	29.00
New Brunswick	14.00	52.67	14.00	29.00
Quebec	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 ⁴	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 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 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. 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.