

Provincial corporate income tax rates for active business income* – 2023

Includes all rate changes announced up to January 15, 2023

	Income eligible for small-business deduction (SBD) (%) (generally up to \$500,000 ¹)	Manufacturing and processing (M&P) income not eligible for federal SBD (%) (greater than \$500,000)	General income not eligible for SBD (%) (non-M&P income)
Newfoundland and Labrador	3.00	15.00	15.00
Prince Edward Island	1.00	16.00	16.00
Nova Scotia	2.50	14.00	14.00
New Brunswick	2.50	14.00	14.00
Quebec	3.20 ²	11.50	11.50
Ontario	3.20	10.00	11.50
Manitoba	Nil	12.00	12.00
Saskatchewan ³			
▶ Prior to July 1, 2023	Nil (up to \$600k) ¹	10.00	12.00
▶ After June 30, 2023	1.00 (up to \$600k) ¹	10.00	12.00
▶ Calendar year-end rate	0.50 (up to \$600k) ¹	10.00	12.00
Alberta	2.00	8.00	8.00
British Columbia	2.00	12.00	12.00
Northwest Territories	2.00	11.50	11.50
Nunavut	3.00	12.00	12.00
Yukon	Nil	2.50	12.00

*Rates represent calendar-year rates unless indicated otherwise.

Notes:

1. The small-business limit for the provinces and territories is \$500,000, with the exception of Saskatchewan, which increased its small-business limit to \$600,000 effective January 1, 2018.
2. Effective for taxation years beginning on or after January 1, 2017, a Canadian-controlled private corporation (CCPC) must meet certain qualification criteria concerning the minimum number of hours paid to benefit from the small-business tax rate. The minimum number of hours paid criterion requires that an eligible corporation's employees work at least 5,500 hours annually, and the amount of the deduction is reduced linearly when the hours are between 5,500 and 5,000 hours. A maximum of 40 hours per week per employee is considered. Special conversion rules apply to take into consideration hours worked (but not necessarily paid in the form of wages) by actively engaged shareholders who hold, directly or indirectly, shares of the corporation that carry more than 50% of the voting rights.
3. Saskatchewan has temporarily reduced its small-business rate from 2.00% to nil, effective for the period commencing October 1, 2020 and ending on June 30, 2023. The small-business rate will increase to 1.00% effective July 1, 2023 and return to a rate of 2.00% on July 1, 2024. The small-business rate was previously scheduled to increase to 1.00% on July 1, 2022, and to 2.00% on July 1, 2023, but legislative amendments have deferred the increases by one year.