

Corporate income tax rates¹

Updated to July 31, 2013

		2010	2011	2012	2013	2014
Federal^{2, 16}	General/M&P/Investment	18.00	16.50	15.00	15.00	15.00
	Small business	11.00	11.00	11.00	11.00	11.00
	Investment - CCPC	34.67	34.67	34.67	34.67	34.67
British Columbia³	General/M&P/Investment	10.5	10	10	10/11	11
	Small business	2.5	2.5	2.5	2.5	2.5
Alberta⁴	General/M&P/Investment	10	10	10	10	10
	Small business	3	3	3	3	3
Saskatchewan⁵	General/Investment	12	12	12	12	12
	Small business	4.5	4.5/2	2	2	2
	M&P	10	10	10	10	10
Manitoba⁶	General/M&P/Investment	12	12	12	12	12
	Small business	1/0	0	0	0	0
Ontario⁷	General/Investment	14/12	12/11.5	11.5	11.5	11.5
	Small business	5.5/4.5	4.5	4.5	4.5	4.5
	M&P	12/10	10	10	10	10
Quebec⁸	General/M&P/Investment	11.9	11.9	11.9	11.9	11.9
	Small business	8	8	8	8	8
New Brunswick⁹	General/M&P/Investment	12/11	11/10	10	10/12	12
	Small business	5	5	4.5	4.5	4.5
Nova Scotia¹⁰	General/M&P/Investment	16	16	16	16	16
	Small business	5	4.5	4	3.5	3
Prince Edward Island¹¹	General/Investment/M&P	16	16	16	16	16
	Small business	2.1/1	1	1	1.0/4.5	4.5
Newfoundland and Labrador¹²	General/Investment	14	14	14	14	14
	Small business	5/4	4	4	4	4
	M&P	5	5	5	5	5
Yukon¹³	General/Investment	15	15	15	15	15
	Small business	4	4	4	4	4
	M&P	2.5	2.5	2.5	2.5	2.5
Northwest Territories¹⁴	General/M&P/Investment	11.5	11.5	11.5	11.5	11.5
	Small business	4	4	4	4	4
Nunavut¹⁵	General/M&P/Investment	12	12	12	12	12
	Small business	4	4	4	4	4

M&P: Manufacturing or processing, CCPC: Canadian-controlled private corporation

- ¹ This table provides a glance of the corporate income tax rates (federal, provincial and territorial) announced up to July 31, 2013. The rates apply to the 2010 to 2014 12-month taxation years ended on December 31, unless otherwise indicated. In Canada, corporate income taxes are levied separately by both the federal government and the provincial and territorial governments. Although the tax base is substantially the same, there are minor differences. Also, rules exist to allocate income between the provinces and territories so that the same income is not taxed twice. The rates indicated in the table may not apply to income earned by credit unions, mutual fund corporations, mortgage investment corporations, most deposit insurance corporations and investment corporations, as this income already qualifies for a special tax treatment. Personal services businesses are subject to a federal tax rate of 28%.
- ² **Federal:** The income limit for the purposes of the small business deduction (SBD limit) has been \$500,000 since 2009. The business limit must be allocated between associated corporations. The SBD is reduced progressively on a straight-line basis for CCPCs when their taxable capital used in Canada varies between \$10 million and \$15 million.
- ³ **British Columbia:** SBD limit: increased to \$500,000 since 2010. As announced in the February 19, 2008 budget, the General/M&P/Investment rate was reduced to 11% effective July 1, 2008, to 10.5% effective January 1, 2010 and to 10% effective January 1, 2011. In addition, the rate for small businesses was reduced to 3.5% effective July 1, 2008, to 3% effective January 1, 2010 and to 2.5% effective January 1, 2011. On October 23, 2008, the government brought down its Economic Update which proposed a further decrease in the rate for small businesses, from 3.5% to 2.5% effective December 1, 2008. The February 17, 2009 budget confirmed the previously announced rate reductions. The March 2, 2010 budget announced no changes related to tax rates. The February 15, 2011 budget confirmed the previously announced elimination of the small business income tax by April 1, 2012. The February 21, 2012 budget announced that the previously announced reduction to the small business corporate income tax rate to 0% by April 1, 2012 will not proceed. Rather, the current rate of 2.5% will be maintained and revisited when the fiscal situation has improved. The budget also introduced a provisional one point increase in the general corporate income tax rate to 11%, effective April 1, 2014. The February 19, 2013 budget announced an increase to the general rate from 10% to 11% effective April 1, 2013, one year earlier than originally announced. However, the Legislative Assembly was dissolved on April 16, 2013, and a provincial general election was held on May 14, 2013. The re-elected liberal government reintroduced the February 19, 2013 budget proposal in its recent June 27, 2013 budget.
- ⁴ **Alberta:** SBD limit: increased to \$500,000 since April 1, 2009. The February 9, 2010, February 24, 2011, February 9, 2012 and March 7, 2013 budgets announced no further changes.
- ⁵ **Saskatchewan:** SBD limit: increased to \$500,000 since July 1, 2008. The March 23, 2011 budget proposed a reduction in the small business rate from 4.5% to 2% effective July 1, 2011. The March 21, 2012 budget announced no changes to the rates. No changes were announced in the March 20, 2013 budget. However, the government confirmed its intention to reduce the general corporate tax rate as and when this reduction is sustainable.
- ⁶ **Manitoba:** SBD limit: \$400,000 since 2005. SBD limit to increase to \$425,000 as of January 1, 2014 as announced in the April 16, 2013 budget. The March 25, 2009 budget announced the reduction of the small business rate to zero effective December 1, 2010. The March 23, 2010 budget announced that the reduction in the general rate to 11% is postponed until the economy strengthens. The April 12, 2011, April 17, 2012 and April 16, 2013 budgets announced no changes related to tax rates.
- ⁷ **Ontario:** SBD limit: \$500,000 since January 1, 2007. As announced in the March 26, 2009 budget, the general rate was to be reduced to 12% as of July 1, 2010, to 11.5% as of July 1, 2011, to 11% as of July 1, 2012 and to 10% as of July 1, 2013 and the rate for manufacturing and processing profits would be reduced from 12% to 10% as of July 1, 2010. Further, the rate for small businesses would be reduced to 4.5% as of July 1, 2010. The budget also announced the elimination of the SBD surtax as of July 1, 2010. The budget also proposed amendments to the corporate minimum tax. Effective for taxation years ending after June 30, 2010, a corporation is liable to pay the corporate minimum tax if it (or its associated group) has total assets greater than \$50 million and total revenue greater than \$100 million. The budget reduced the minimum tax rate, effective July 2010, from 4% to 2.7% of a corporation's adjusted net income. The March 25, 2010 budget confirmed the previously announced measures. The March 29, 2011 budget announced no changes related to tax rates. The March 27, 2012 budget proposed to postpone the rate reductions scheduled for July 1, 2012 (to 11%) and for July 1, 2013 (to 10%) and to maintain the general tax rate to 11.5% until 2017-2018. The May 2, 2013 budget announced no changes related to tax rates:
- ⁸ **Quebec:** SBD limit: \$500,000 since March 20, 2009. The March 30, 2010, March 17, 2011, March 20, 2012 and November 20, 2012 budgets announced no changes related to tax rates.
- ⁹ **New Brunswick:** As announced in the March 17, 2009 budget, the general rate was to be reduced to 12% as of July 1, 2009, to 11% as of July 1, 2010, to 10% as of July 1, 2011 and to 8% as of July 1, 2012. The SBD limit was increased to \$500,000 to match the federal SBD limit effective January 1, 2009. The March 22, 2011 budget proposed a reduction in the small business rate from 5% to 4.5% effective January 1, 2012. The budget also confirmed the previously announced reduction in the general rate to 10% as of July 1, 2011 and a commitment to maintaining this rate, indicating that the previously announced reduction to 8% as of July 1, 2012 would no longer occur. The March 27, 2012 announced no changes related to tax rates. The March 26, 2013 budget announced an increase in the general rate from 10% to 12%, effective July 1, 2013 and maintained the small business rate of 4.5%.
- ¹⁰ **Nova Scotia:** SBD limit: \$400,000 since April 1, 2006. SBD limit to decrease to \$350,000, the lowest SBD limit in the country, as of January 1, 2014 as announced in the April 4, 2013 budget. The April 6, 2010 budget announced that the rate for small businesses would be reduced from 5% to 4.5% as of January 1, 2011. The April 5, 2011 budget announced that the small business rate would be reduced from 4.5% to 4.0% as of January 1, 2012. The April 3, 2012 budget announced that the small business rate would be reduced from 4.0% to 3.5% as of January 1, 2013. The April 4, 2013 budget announced a reduction in the small business rate from 3.5% to 3%, effective January 1, 2014.

- ¹¹ **Prince Edward Island:** SBD limit: \$500,000 since January 1, 2009. The rate for small businesses was reduced to 1% effective April 1, 2010. The April 23, 2010, April 6, 2011 and April 18, 2012 budgets announced no changes related to tax rates. The March 27, 2013 budget announced an increase in the small business rate from 1% to 4.5%, effective April 1, 2013 and no change in the general business rate of 16%.
- ¹² **Newfoundland and Labrador:** SBD limit: \$500,000 since January 1, 2009. The March 29, 2010 budget announced that the rate for small businesses would be reduced from 5% to 4% applicable to fiscal periods beginning after March 31, 2010. The M&P rate remains 5%. The April 19, 2011, April 24, 2012 and March 26, 2013 budgets announced no changes related to tax rates.
- ¹³ **Yukon:** SBD limit: \$400,000 since January 1, 2007. SBD limit increased to \$500,000 for 2011. The March 25, 2010, February 3, 2011, March 15, 2012 and March 21, 2013 budgets announced no changes related to tax rates.
- ¹⁴ **Northwest Territories:** SBD limit: \$500,000 since January 1, 2009. The January 28, 2010, February 3, 2011, May 24, 2012 and February 7, 2013 budgets announced no changes related to tax rates.
- ¹⁵ **Nunavut:** SBD limit: \$500,000 since January 1, 2009. The March 8, 2010, March 1, 2011, February 22, 2012 and February 27, 2013 budgets announced no changes related to tax rates.
- ¹⁶ **Federal:** The October 30, 2007 Economic Statement announced the following rate reductions:
- | | |
|----------------|---------------------------------|
| General | 18.0% effective January 1, 2010 |
| | 16.5% effective January 1, 2011 |
| | 15.0% effective January 1, 2012 |
| Small business | 11.0% effective January 1, 2008 |

The changes were included in Bill C-28 which received Royal Assent on December 14, 2007. The March 4, 2010, March 22, 2011, March 29, 2012 and March 21, 2013 budgets announced no changes related to tax rates.