



Corporate Tax Rates

Federal and Provincial/Territorial Tax Rates for Income Earned by a General Corporation – 2018¹

	M&P Income	Active Business Income	Investment Income ²
Federal rates			
General corporate rate	38.0%	38.0%	38.0%
Federal abatement	(10.0)	(10.0)	(10.0)
	28.0	28.0	28.0
M&P deduction ³	(13.0)	0.0	0.0
Rate reduction ⁴	0.0	(13.0)	(13.0)
	15.0	15.0	15.0
Provincial rates			
British Columbia ⁵	12.0%	12.0%	12.0%
Alberta	12.0	12.0	12.0
Saskatchewan ⁶	10.0	12.0	12.0
Manitoba	12.0	12.0	12.0
Ontario	10.0	11.5	11.5
Quebec ⁷	11.7	11.7	11.7
New Brunswick	14.0	14.0	14.0
Nova Scotia	16.0	16.0	16.0
Prince Edward Island	16.0	16.0	16.0
Newfoundland and Labrador	15.0	15.0	15.0
Territorial rates			
Yukon ⁸	2.5	12.0	12.0
Northwest Territories	11.5	11.5	11.5
Nunavut	12.0	12.0	12.0

Current as of December 31, 2017

Refer to notes on the following pages.

All rates must be prorated for taxation years that straddle the effective date of the rate changes.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

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Current as of December 31, 2017

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Combined Federal and Provincial/Territorial Tax Rates for Income Earned by a General Corporation—2018¹

	M&P Income	Active Business Income	Investment Income ²
Provincial rates			
British Columbia ⁵	270%	270%	270%
Alberta	270	270	270
Saskatchewan ⁶	25.0	270	270
Manitoba	270	270	270
Ontario	25.0	26.5	26.5
Quebec ⁷	26.7	26.7	26.7
New Brunswick	29.0	29.0	29.0
Nova Scotia	31.0	31.0	31.0
Prince Edward Island	31.0	31.0	31.0
Newfoundland and Labrador	30.0	30.0	30.0
Territorial rates			
Yukon ⁸	175	270	270
Northwest Territories	26.5	26.5	26.5
Nunavut	270	270	270

Current as of December 31, 2017

Refer to notes on the following pages.

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Federal and Provincial/Territorial Tax Rates for Income Earned by a General Corporation—2018¹

Notes

- (1) The federal and provincial tax rates shown in the tables apply to income earned by corporations other than Canadian-controlled private corporations (CCPCs). A general corporation typically includes public companies and their subsidiaries that are resident in Canada, and Canadian-resident private companies that are controlled by non-residents.

For tax rates applicable to CCPCs, see the tables "Federal and Provincial/Territorial Tax Rates for Income Earned by a CCPC".

- (2) The federal and provincial tax rates shown in the tables apply to investment income earned by general corporations other than capital gains and dividends received from Canadian corporations. The rates that apply to capital gains are one-half of the rates shown in the tables. Dividends received from Canadian corporations are deductible in computing regular Part I tax, but may be subject to Part IV tax, calculated at a rate of 38 1/3%.
- (3) Corporations that derive at least 10% of their gross revenue for the year from manufacturing or processing goods in Canada for sale or lease can claim the manufacturing and processing (M&P) deduction against their M&P income.
- (4) A general tax rate reduction is available on qualifying income. Income that is eligible for other reductions or credits, such as small business income and M&P income, is not eligible for this rate reduction.

Income of a corporation earned from a personal services business is not eligible for the general rate reduction and is subject to an additional 5% tax, which increases the federal tax rate on personal services business income to 33%.

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- (5) British Columbia increased the province's general corporate income tax rate to 12% (from 11%) effective January 1, 2018.
- (6) Saskatchewan provides a tax rebate that generally reduces the general corporate income tax rate on income earned from the rental of newly constructed qualifying multi-unit residential projects by 10%. The rebate is generally available for a period of 10 consecutive years for rental housing that is registered under a building permit dated on or after March 21, 2012 and before January 1, 2015, and available for rent before the end of 2017.

Saskatchewan increased the province's general corporate income tax rate to 12% (from 11.5%) effective January 1, 2018.
- (7) Quebec gradually reduces the general corporate income tax rate for active business, investment, and M&P income. The rate will be 11.7% in 2018, 11.6% in 2019 and 11.5% in 2020. The rate reductions will be effective January 1 of each year.
- (8) Yukon provides a manufacturing and processing tax credit that effectively reduces the corporate tax rate on the corporation's Canadian manufacturing and processing profits earned in the Yukon to 2.5%.

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