



Personal Tax Rates

Federal and Provincial/Territorial Income Tax Rates and Brackets for 2018

	Tax Rates	Tax Brackets	Surtax Rates	Surtax Thresholds
Federal ¹	15.00% 20.50 26.00 29.00 33.00	Up to \$46,605 46,606–93,208 93,209–144,489 144,490–205,842 205,843 and over		
British Columbia ²	5.06% 7.70 10.50 12.29 14.70 16.80	Up to \$39,676 39,677–79,353 79,354–91,107 91,108–110,630 110,631–150,000 150,001 and over		
Alberta ³	10.00% 12.00 13.00 14.00 15.00	Up to \$128,145 128,146–153,773 153,774–205,031 205,032–307,547 307,548 and over		
Saskatchewan ⁴	10.50% 12.50 14.50	Up to \$45,225 45,226–129,214 129,215 and over		
Manitoba ⁵	10.80% 12.75 17.40	Up to \$31,843 31,844–68,821 68,822 and over		
Ontario ^{6,7}	5.05% 9.15 11.16 12.16 13.16	Up to \$42,960 42,961–85,923 85,924–150,000 150,001–220,000 220,001 and over	20% 36	\$4,638 5,936
Quebec ⁸	15.00% 20.00 24.00 25.75	Up to \$43,055 43,056–86,105 86,106–104,765 104,766 and over		

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Current as of June 30, 2018

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	Tax Rates	Tax Brackets	Surtax Rates	Surtax Thresholds
New Brunswick ⁹	9.68%	Up to \$41,675		
	14.82	41,676–83,351		
	16.52	83,352–135,510		
	17.84	135,511–154,382		
	20.30	154,383 and over		
Nova Scotia ⁴	8.79%	Up to \$29,590		
	14.95	29,591–59,180		
	16.67	59,181–93,000		
	17.50	93,001–150,000		
	21.00	150,001 and over		
Prince Edward Island ^{4,7}	9.80%	Up to \$31,984		
	13.80	31,985–63,969		
	16.70	63,970 and over	10%	\$12,500
Newfoundland and Labrador ¹⁰	8.70%	Up to \$36,926		
	14.50	36,927–73,852		
	15.80	73,853–131,850		
	17.30	131,851–184,590		
	18.30	184,591 and over		
Yukon ⁹	6.40%	Up to \$46,605		
	9.00	46,606–93,208		
	10.90	93,209–144,489		
	12.80	144,490–500,000		
	15.00	500,001 and over		
Northwest Territories ⁹	5.90%	Up to \$42,209		
	8.60	42,210–84,420		
	12.20	84,421–137,248		
	14.05	137,249 and over		
Nunavut ⁹	4.00%	Up to \$44,437		
	7.00	44,438–88,874		
	9.00	88,875–144,488		
	11.50	144,489 and over		

Refer to notes on the following pages.

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Personal Tax Rates 2

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Notes

- (1) The federal tax brackets are indexed each year by a calculated inflation factor, which is based on the change in the average federal inflation rate over the 12-month period ending September 30 of the previous year compared to the change in the rate for the same period of the year prior to that. The federal inflation factor is 1.5% for 2018.
- (2) British Columbia indexes its tax brackets using the same formula as that used federally, but uses the provincial inflation rate rather than the federal rate in the calculation. The province's inflation factor is 2.0% for 2018. Residents of British Columbia are also required to make monthly payments under the province's Medical Services Plan (MSP) (see the table "Provincial Health Premiums"). However, the province's 2018 budget proposed to eliminate MSP premiums effective January 1, 2020.
- (3) Alberta indexes its tax brackets using the same formula as that used federally, but uses the provincial inflation rate rather than the federal rate in the calculation. The province's inflation factor is 1.2% for 2018.
- (4) Saskatchewan, Nova Scotia and Prince Edward Island do not index their tax brackets or, where applicable, surtax thresholds.
- (5) Manitoba indexes its tax brackets using the same formula as that used federally, but uses the provincial inflation rate rather than the federal rate in the calculation. The province's inflation factor is 1.2% for 2018.
- (6) Ontario indexes its tax brackets and surtax thresholds using the same formula as that used federally, but uses the provincial inflation rate rather than the federal rate in the calculation. The province's inflation factor is 1.8% for 2018. Ontario resident individuals with taxable income over \$20,000 are also required to pay a Health Premium each year (see the table "Provincial Health Premiums").

Ontario's 2018 budget proposed to eliminate the province's surtax and adjust the personal income tax brackets and rates, effective January 1, 2018. The new incoming government of Ontario, however, has confirmed that it does not intend to proceed with the changes to the personal income tax rates, brackets and surtax that were presented in the province's 2018 budget on March 28, 2018.
- (7) Ontario and Prince Edward Island have a surtax system where surtax applies to the provincial income tax (before surtax) in excess of the threshold noted in the table. For example, Ontario surtax of 20% applies to the provincial income tax (before surtax) in excess of \$4,638. Ontario surtax of 36% applies in addition to the 20% surtax (i.e., a total surtax of 56%) to the provincial income tax (before surtax) in excess of \$5,936.

The surtax effectively increases the top marginal tax rate for residents of Ontario and Prince Edward Island to 20.53% (13.16% x 156%) and 18.37% (16.70% x 110%), respectively.
- (8) Quebec indexes its tax brackets using the same formula as that used federally, but uses the provincial inflation rate, excluding changes in liquor and tobacco taxes, rather than the federal rate in the calculation. The province's inflation factor is 0.82% for 2018. Residents of Quebec are required to make payments to the province's Health Services Fund (see the table "Provincial Health Premiums").
- (9) New Brunswick and the territories (Northwest Territories, Nunavut and the Yukon) index their tax brackets using the same formula as that used federally. The inflation factor is 1.5% for 2018.
- (10) Newfoundland and Labrador indexes its tax brackets using the same formula as that used federally, but uses the applicable provincial inflation rate rather than the federal rate in the calculation. Newfoundland and Labrador's inflation factor is 3.0% for 2018.

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