



Personal Tax Rates

Combined Top Marginal Tax Rates For Individuals—2020

	Interest and Regular Income	Capital Gains ¹	Eligible Dividends	Non-eligible Dividends
British Columbia ²	53.50%	26.75%	36.54%	48.89%
Alberta ³	48.00	24.00	31.71	42.30
Saskatchewan	47.50	23.75	29.64	40.37
Manitoba	50.40	25.20	37.79	46.67
Ontario ⁴	53.53	26.76	39.34	47.74
Quebec ⁵	53.31	26.65	40.11	47.14
New Brunswick	53.30	26.65	33.51	47.75
Nova Scotia	54.00	27.00	41.58	48.27
Prince Edward Island	51.37	25.69	34.23	45.23
Newfoundland and Labrador	51.30	25.65	42.62	44.59

Notes

- (1) The lifetime capital gains exemption limit for qualified farm property, qualified fishing property and qualified small business corporation shares increased to \$883,384 (from \$866,912) for 2020. An additional lifetime capital gains exemption of \$116,616 is available for qualified farm or fishing property disposed of in 2020.
- (2) British Columbia's 2020 budget proposed a new top personal income tax rate of 20.50%, effective January 1, 2020. As a result, the top marginal combined tax rate applicable to interest and regular income, capital gains, eligible dividends and non-eligible dividends will increase to 53.50%, 26.75%, 36.54% and 48.89% in 2020 and subsequent years, respectively.
- (3) Alberta decreased the DTC rate that applies to eligible dividends to 9.05% (from 10%), effective January 1, 2021. The rate will further decrease to 8.12%, effective January 1, 2022. As a result, the top marginal combined tax rate applicable to eligible dividend will increase to 33.03% (from 31.71%) in 2021 and to 34.31% in 2022 in Alberta.
- (4) Ontario decreased the province's DTC rate that applies to non-eligible dividends to 2.99% (from 3.29%) of taxable dividends, effective January 1, 2020.
- (5) Quebec decreased the province's DTC rate that applies to eligible dividends to 11.7% (from 11.78%) of taxable dividends, effective January 1, 2020.

Quebec also decreased the province's DTC rate that applies to non-eligible dividends to 4.77% (from 5.55%) of taxable dividends, effective January 1, 2020. The rate will further decrease to 4.01%, effective January 1, 2021.

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.

© 2020 KPMG LLP, a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.

Current as of June 30, 2020

Personal Tax Rates 1