

## Federal Corporate Tax Rates — 2010–2016 (%)

(Prepared from information available as of January 5, 2016)

The rates shown are in effect for 12-month taxation years ended December 31. All rate changes must be pro-rated for taxation years that straddle the effective date.

		2010	2011	2012 – 2015	2016	
<b>General and manufacturing &amp; processing (M&amp;P) income</b>	Basic rate	38				
	Less: provincial abatement	10				
	General federal rate (before deductions)	28				
	Less: general rate reduction or M&P deduction <sup>1,2</sup>	10	11.5	13		
	<b>General federal and M&amp;P rate</b>	<b>18</b>	<b>16.5</b>	<b>15</b>		
<b>Canadian-controlled private corporations (CCPCs)</b>	<b>Threshold</b>	Small business deduction threshold <sup>3</sup>				
		<b>\$500,000</b>				
	<b>Active business income up to threshold</b>	General federal rate (before deductions) <sup>2</sup>	28			
		Less: small business deduction <sup>3</sup>	17			17.5
		<b>CCPC small business rate</b>	<b>11</b>			<b>10.5</b>
	<b>Investment income</b>	General federal rate (before deductions) <sup>2</sup>	28			
		Additional refundable tax <sup>4</sup>	6.67			10.67
<b>CCPC investment income rate</b>		<b>34.67</b>			<b>38.67</b>	

### Notes:

- Recent changes to the general rate reduction and manufacturing and processing (M&P) deduction are shown in the following table:

	Changes effective after December 31, 2011		
	From	To	Effective
<b>General rate reduction and M&amp;P deduction</b>	11.5%	13%	January 1, 2012

- The general rate reduction and M&P deduction do not apply to: income benefiting from the small business deduction; investment income of CCPCs; and income of certain corporations (e.g., mutual fund corporations, mortgage investment corporations and investment corporations). For taxation years beginning after October 31, 2011, income from a personal services business is not eligible for the general rate reduction.
- The small business deduction applies to active business income earned in Canada of associated CCPCs, up to \$500,000. As a result of a clawback, the small business deduction is reduced if taxable paid-up capital employed in Canada, on an associated basis, exceeded \$10 million in the preceding year.

Recent and planned changes to the small business deduction are shown in the following table:

	Changes effective after December 31, 2011		
	From	To	Effective
<b>Small business deduction</b>	17%	17.5%	January 1, 2016*
	17.5%	18%	January 1, 2017*
	18%	18.5%	January 1, 2018*
	18.5%	19%	January 1, 2019*

\* The timing of the increases to the small business deduction may be affected by changes planned by the new federal government, which won a majority in the October 19, 2015 election. In addition, the governing party has pledged to ensure that CCPC status is not used to reduce personal income tax for high-income earners.

- See "Refundable Investment Tax" in the table, **Other Federal Corporate Tax Rates for 2016**, and footnote 3 to that table for recent changes to the refundable investment tax.