

Corporate Income Tax Rates by Province/Territory — 2016 (%)

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

All rate changes must be pro-rated for taxation years that straddle the effective date. Use the rate changes to determine rates for taxation years ending on December 31, 2012 or later.

Tax holidays may reduce or eliminate provincial tax.

In addition to income tax:

- before 2013, some provinces imposed general capital tax on corporations that had a permanent establishment there, the last being Nova Scotia, which eliminated its general capital tax on July 1, 2012 (see **Capital Tax Rates and Exemptions for 2016**); and
- financial institutions may also be subject to Part VI Financial Institution Capital Tax (see **Other Federal Corporate Tax Rates for 2016**) and provincial capital taxes (see **Capital Tax Rates and Exemptions for 2016**).

General and M&P Corporate Income Tax Rates

(for December 31, 2016 year end) (%)

The percentages shown in the table below reflect the combined federal and provincial/territorial corporate rates (general, as well as manufacturing and processing (M&P)) for a 12-month taxation year ended December 31, 2016, on income allocated to provinces or territories. For Canadian-controlled private corporations (CCPCs), this table does not apply to:

- the first \$500,000 (\$450,000 in Manitoba; \$350,000 in Nova Scotia) of active business income; and
- investment income.

For more CCPC rates, see the table, **Canadian-Controlled Private Corporation (CCPC) Income Tax Rates**.

		General and Manufacturing & Processing (M&P)	
Basic federal rate			38
Provincial abatement			(10)
Federal rate (before deductions)			28
General rate reduction ² or M&P deduction ²			(13) ¹
Federal rate			15¹
			↓
		Provincial/Territorial	Combined
Alberta ³		12	27
British Columbia ⁴		11	26
Manitoba		12	27
New Brunswick ⁵		12	27
Newfoundland and Labrador	General	14 H	29
	M&P	5 H	20
Northwest Territories		11.5	26.5
Nova Scotia		16	31
Nunavut		12	27
Ontario ^{6, 7}	General	11.5 H	26.5
	M&P	10 H	25
Prince Edward Island		16 H	31
Quebec ⁸		11.9 H	26.9
Saskatchewan	General	12	27
	M&P	10 ⁹	25
Yukon	General	15	30
	M&P	2.5	17.5

H = Tax holidays are available to certain corporations in the provinces indicated.

Notes:

1. Footnote 2 to the table, **Federal Corporate Tax Rates**, indicates when the general rate reduction and M&P deduction do not apply.
2. For recent changes to the general rate reduction and M&P deduction, see footnote 1 to the table, **Federal Corporate Tax Rates**.
3. Recent Alberta changes are shown in the following table:

Alberta changes effective after December 31, 2011			
	From	To	Effective
General and M&P	10%	12%	July 1, 2015

4. Recent British Columbia changes are shown in the following table:

British Columbia changes effective after December 31, 2011			
	From	To	Effective
General and M&P	10%	11%*	April 1, 2013*

* British Columbia's rate increase to 11% was accelerated by one year. It was originally to have occurred on April 1, 2014, but only if the province's fiscal situation worsened.

5. Recent New Brunswick changes are shown in the following table:

	New Brunswick changes effective after December 31, 2011		
	From	To	Effective
General and M&P	10%	12%	July 1, 2013

6. Ontario's general income tax rate is frozen at 11.5%, until the province returns to a balanced budget (scheduled for 2017-18). The rate was to drop to 11% on July 1, 2012, and to 10% on July 1, 2013.
7. Corporations subject to Ontario income tax that, on an associated basis, have annual gross revenues of \$100 million or more and total assets of \$50 million or more may also be liable for a 2.7% corporate minimum tax (CMT) based on adjusted book income. The minimum tax is payable only to the extent that it exceeds the regular Ontario income tax liability.
8. Planned Quebec changes are shown in the following table:

	Quebec changes effective after December 31, 2011		
	From	To	Effective
General and M&P	11.9%	11.8%	January 1, 2017
	11.8%	11.7%	January 1, 2018
	11.7%	11.6%	January 1, 2019
	11.6%	11.5%	January 1, 2020

9. The general rate (12% in 2016) is the maximum Saskatchewan rate. A rebate of up to the difference between the general rate and 10% (2% in 2016) of manufacturing profits allocated to Saskatchewan is available.