

Federal Corporate Tax Rates — 2009–2015 (%)

(Prepared from information available as of June 19, 2015)

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

		2009	2010	2011	2012 – 2015
General and manufacturing & processing (M&P) income	Basic rate	38			
	Less: provincial abatement	10			
	General federal rate (before deductions)	28			
	Less: general rate reduction or M&P deduction ^{1, 2}	9	10	11.5	13
	General federal and M&P rate	19	18	16.5	15
Canadian-controlled private corporations (CCPCs)	Threshold	Small business deduction threshold ³	\$500,000		
	Active business income up to threshold	General federal rate (before deductions) ²	28		
		Less: small business deduction ³	17		
		CCPC small business rate	11		
	Investment income	General federal rate (before deductions) ²	28		
		Additional refundable tax ⁴	6.67		
		CCPC investment income rate	34.67		

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, 2010		
	From	To	Effective
General rate reduction and M&P deduction	10%	11.5%	January 1, 2011
	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.

Planned changes to the small business deduction are shown in the following table:

	Changes effective after December 31, 2010		
	From	To	Effective
Small business deduction	17%	17.5%	January 1, 2016
	17.5%	18%	January 1, 2017
	18%	18.5%	January 1, 2018
	18.5%	19%	January 1, 2019

- See “Refundable Investment Tax” in the table, **Other Federal Corporate Tax Rates for 2015**.