

## Corporate Income Tax Rates by Province — 2014 (%)

(Prepared from information available as of June 13, 2014)

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, 2010 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 2014**); and
- financial institutions may also be subject to Part VI Financial Institution Capital Tax (see **Other Federal Corporate Tax Rates for 2014**) and provincial capital taxes (see **Capital Tax Rates and Exemptions for 2014**).

### General and M&P Corporate Income Tax Rates

(for December 31, 2014 year end) (%)

The percentages shown in the table below reflect the combined federal and provincial/territorial corporate rates (general and manufacturing and processing (M&P)) for a 12-month taxation year ended December 31, 2014, on income allocated to provinces or territories. For Canadian-controlled private corporations (CCPCs), this table does not apply to:

- the first \$500,000 (\$425,000 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)	
<b>Basic federal rate</b>			<b>38</b>
Provincial abatement			(10)
<b>Federal rate (before deductions)</b>			<b>28</b>
General rate reduction <sup>2</sup> or M&P deduction <sup>2</sup>			(13) <sup>1</sup>
<b>Federal rate</b>			<b>15<sup>1</sup></b>
			↓
		Provincial/Territorial	<b>Combined</b>
<b>Alberta</b>		10	<b>25</b>
<b>British Columbia<sup>3</sup></b>		11	<b>26</b>
<b>Manitoba<sup>4</sup></b>		12	<b>27</b>
<b>New Brunswick<sup>5</sup></b>		12	<b>27</b>
<b>Newfoundland and Labrador</b>	General	14 <b>H</b>	<b>29</b>
	M&P	5 <b>H</b>	<b>20</b>
<b>Northwest Territories</b>		11.5	<b>26.5</b>
<b>Nova Scotia</b>		16	<b>31</b>
<b>Nunavut</b>		12	<b>27</b>
<b>Ontario<sup>6, 7</sup></b>	General	11.5 <b>H</b>	<b>26.5</b>
	M&P	10 <b>H</b>	<b>25</b>
<b>Prince Edward Island</b>		16 <b>H</b>	<b>31</b>
<b>Quebec</b>		11.9 <b>H</b>	<b>26.9</b>
<b>Saskatchewan<sup>8</sup></b>	General	12	<b>27</b>
	M&P	10 <sup>9</sup>	<b>25</b>
<b>Yukon</b>	General	15	<b>30</b>
	M&P	2.5	<b>17.5</b>

**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 British Columbia changes are shown in the following table:

British Columbia changes effective after December 31, 2009			
	From	To	Effective
<b>General and M&amp;P</b>	11%	10.5%	January 1, 2010
	10.5%	10%	January 1, 2011
	10%	11%*	April 1, 2013*

\* British Columbia's rate increase to 11% was accelerated by one year (it was originally to occur on April 1, 2014, and only if the province's fiscal situation worsened).

4. Manitoba's general and M&P rate was scheduled to drop from 12% to 11% at a date to be determined, subject to balanced budget requirements; however, this is no longer being considered by the province.

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

	New Brunswick changes effective after December 31, 2009		
	From	To	Effective
<b>General and M&amp;P</b>	12%	11%	July 1, 2010
	11%	10%*	July 1, 2011
	10%	12%	July 1, 2013

\* New Brunswick repealed the legislated corporate income tax rate of 8% that was to apply on July 1, 2012.

6. Recent Ontario changes are shown in the following table:

	Ontario changes effective after December 31, 2009		
	From	To	Effective
<b>General</b>	14%	12%	July 1, 2010
	12%	11.5%*	July 1, 2011
<b>M&amp;P</b>	12%	10%	July 1, 2010

\* 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 may also be liable for 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. Recent Ontario CMT changes are shown in the following table:

	Ontario changes effective after December 31, 2009		
	From	To	Effective
<b>Corporate Minimum Tax (CMT) rate</b>	4%	2.7%	July 1, 2010
<b>Thresholds for CMT to apply*</b>	Total assets	> \$5 million    ≥ \$50 million	Taxation years ending after June 30, 2010
	Annual gross revenues	> \$10 million    ≥ \$100 million	

\* Thresholds apply on an associated basis.

8. Planned Saskatchewan changes are shown in the following table:

	Saskatchewan changes effective after December 31, 2009		
	From	To	Effective
<b>General</b>	12%	10%*	To be determined*

\* Saskatchewan's 2013 budget deferred the province's general corporate income tax rate decrease to 10% (from 12%) until it is "affordable and sustainable, within a balanced budget." The province is no longer committed to reducing the rate by 2015 as had been announced in its 2012 throne speech.

9. The general rate (12% in 2014) is the maximum Saskatchewan rate. A rebate of up to the difference between the general rate and 10% (2% in 2014) of manufacturing profits allocated to Saskatchewan is available.