

Canadian-Controlled Private Corporation (CCPC) Income Tax Rates

(for December 31, 2015 year end) (%)

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

	Active business income of CCPCs ¹ up to \$500,000 ²		Investment income ⁴	
Federal rate (before deductions)		28		28
Small business deduction ^{2, 3}		(17)		n/a
Refundable investment tax		n/a		6.67
Federal rate		11 ↓		34.67 ↓
	Provincial/ Territorial	Combined	Provincial/ Territorial	Combined
Alberta	3	14	11	45.67
British Columbia	2.5	13.5	11	45.67
Manitoba⁵	Nil* or 12*	11* or 23*	12	46.67
New Brunswick⁶	4	15	12	46.67
Newfoundland and Labrador⁷	3 H	14	14 H	48.67
Northwest Territories	4	15	11.5	46.17
Nova Scotia⁸	3* H or 16*	14* or 27*	16	50.67
Nunavut	4	15	12	46.67
Ontario^{9, 10}	4.5 H	15.5	11.5 H	46.17
Prince Edward Island¹¹	4.5 H	15.5	16 H	50.67
Quebec¹²	M&P ¹³	4.49 H		n/a
	Regular	8 H	11.9 H	46.57
Saskatchewan¹⁴	2	13	12	46.67
Yukon¹⁵	M&P	1.5		n/a
	Non-M&P	3	15	49.67

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

* The lower rate applies to active business income of CCPCs up to \$425,000 in Manitoba and \$350,000 in Nova Scotia. The higher rate applies to active business income of CCPCs from this threshold to \$500,000.

Notes:

- See the table, **General and M&P Corporate Income Tax Rates**, for the rates that apply to CCPCs on active business income above \$500,000. The \$500,000 federal small business threshold also applies in:
 - Alberta, British Columbia, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nunavut, Ontario, Prince Edward Island, Quebec and Saskatchewan; and
 - the Yukon, after December 31, 2010 (see footnote 15).
Manitoba and Nova Scotia have not harmonized with the federal threshold.
- See footnote 3 to the table, **Federal Corporate Tax Rates**, for a description of the federal small business deduction clawback and threshold. The clawback also applies for the purposes of all provincial/territorial small business deductions except that in Ontario, it did not apply for taxation years ending before May 2, 2014.
- For planned changes to the federal small business deduction, see footnote 3 to table, **Federal Corporate Tax Rates**.
- Rates on investment income are 19.67% higher than the general rates for 2015 (see the table, **General and M&P Corporate Income Tax Rates**), because:
 - CCPC investment income does not benefit from the 13% federal general rate reduction; and
 - the rates on investment income include a 6 $\frac{2}{3}$ % tax that is refundable when the CCPC pays taxable dividends.
See also "Refundable Investment Tax" in the table, **Other Federal Corporate Tax Rates for 2015**.
- Recent and planned Manitoba changes are shown in the following table:

Threshold up to which CCPC rate applies	Manitoba changes effective after December 31, 2010		
	From	To	Effective
	\$400,000	\$425,000	January 1, 2014
	\$425,000	\$450,000	January 1, 2016

6. Recent and planned New Brunswick changes are shown in the following table:

New Brunswick changes effective after December 31, 2010			
	From	To	Effective
CCPC rate	5%	4.5%*	January 1, 2012
	4.5%	4%*	January 1, 2015
	4%	2.5%*	By 2018

* New Brunswick's October 8, 2014 news release announced that the CCPC rate will decrease from 4.5% to 4% on January 1, 2015, and that the government is committed to decreasing the rate to 2.5% by 2018. The province's 2015 budget confirms its intention to reduce the rate to 2.5%.

7. Recent Newfoundland and Labrador changes are shown in the following table:

Newfoundland and Labrador changes effective after December 31, 2010			
	From	To	Effective
CCPC rate	4%*	3%	July 1, 2014

* The 4% rate became effective for taxation years beginning after March 31, 2010.

8. Recent Nova Scotia changes are shown in the following table:

Nova Scotia changes effective after December 31, 2010			
	From	To	Effective
CCPC rate	5%	4.5%	January 1, 2011
	4.5%	4%	January 1, 2012
	4%	3.5%	January 1, 2013
	3.5%	3%	January 1, 2014
Threshold up to which CCPC rate applies	\$400,000	\$350,000	January 1, 2014

9. 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. For rates and thresholds, see the table, **General and M&P Corporate Income Tax Rates** (footnote 8).

10. The federal small business deduction clawback (see footnote 3 to the table, **Federal Corporate Tax Rates**) was extended to Ontario, for taxation years ending after May 1, 2014 (pro-rated for taxation years straddling this date).

11. Recent Prince Edward Island changes are shown in the following table:

Prince Edward Island changes effective after December 31, 2010			
	From	To	Effective
CCPC rate	1%	4.5%	April 1, 2013

12. Planned changes to Quebec's CCPC rates that apply for taxation years beginning after December 31, 2016:

- require a CCPC to meet additional criteria (i.e., number of employees, percentage of activities in the M&P and primary sector) to be eligible for the province's regular CCPC rate;
- increase the regular CCPC rate in certain cases;
- extend the M&P CCPC rate to CCPCs in the primary sector (i.e. agriculture, forestry, fishing and hunting, mining, quarrying, and oil and gas extraction); and
- determine the percentage of activities attributable to M&P and primary activities based only on labour costs (assets are no longer a factor)

13. Recent and planned Quebec changes are shown in the following table:

	Quebec changes effective after December 31, 2010		
	From	To	Effective
CCPC rate (M&P)	8%	6%*	June 5, 2014
	6%*	4%*, **	April 1, 2015

* For taxation years beginning before January 1, 2017, the rates apply to all active business income up to \$500,000 if 50% or more of the CCPC's activities are attributable to M&P (based on M&P assets and labour). If this percentage is under 50% and more than 25%, the rates will increase proportionately (straight line) to 8% (i.e., the rate is 8% when the M&P percentage is 25% or less).

** For taxation years beginning after December 31, 2016, the 4% rate applies to all active business income up to \$500,000 if 50% or more of the CCPC's activities are attributable to M&P and the primary sector (based on M&P and primary sector labour). If this percentage is under 50% and more than 25%, the rates will increase proportionately (straight line) to 8%, or the general rate, depending on the circumstances (i.e., the rate is 8%, or the general rate, when the M&P and primary sector percentage is 25% or less).

14. Recent Saskatchewan changes are shown in the following table:

	Saskatchewan changes effective after December 31, 2010		
	From	To	Effective
CCPC rate	4.5%	2%	July 1, 2011

15. Recent Yukon changes are shown in the following table:

	Yukon changes effective after December 31, 2010		
	From	To	Effective
CCPC rate (M&P)	2.5%	1.5%	July 1, 2014
CCPC rate (non-M&P)	4%	3%	
Threshold up to which CCPC rate applies	\$400,000	\$500,000	January 1, 2011