

Canadian-Controlled Private Corporation (CCPC) Income Tax Rates

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

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

	Active business income of CCPCs ¹ up to \$500,000 ²		Investment income ³	
Federal rate (before deductions)		28		28
Small business deduction ²		(17)		n/a
Refundable investment tax		n/a		6.67
Federal rate		11 ↓		34.67 ↓
	Provincial/ Territorial	Combined	Provincial/ Territorial	Combined
Alberta	3	14	10	44.67
British Columbia⁴	2.5	13.5	11	45.67
Manitoba⁵	Nil* or 12*	11* or 23*	12	46.67
New Brunswick⁶	4.5	15.5	12	46.67
Newfoundland and Labrador⁷	3.5 H	14.5	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	6.85 H		n/a
	Non-M&P	8 H	11.9 H	46.57
Saskatchewan¹³	2	13	12	46.67
Yukon¹⁴	M&P	2.5		n/a
	Non-M&P	3.5	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, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nunavut, Ontario (see footnote 10 below), Prince Edward Island, Quebec and Saskatchewan;
 - British Columbia, after December 31, 2009 (see footnote 4); and
 - the Yukon, after December 31, 2010 (see footnote 13).
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 the provincial/territorial small business deductions in the territories and all provinces except Ontario (however, Ontario has proposed to extend this clawback to its small business deduction, for taxation years ending after May 1, 2014). Ontario imposed its own clawback before July 1, 2010, as outlined in footnote 10, below.
- Rates on investment income are 19.67% higher than the general rates for 2014 (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 6.67% tax that is refundable when the CCPC pays taxable dividends.

See also "Refundable Investment Tax" in the table, **Other Federal Corporate Tax Rates for 2014**.

- Recent British Columbia changes are shown in the following table:

Threshold up to which CCPC rate applies	British Columbia changes effective after December 31, 2009		
	From	To	Effective
	\$400,000	\$500,000	January 1, 2010

5. Recent Manitoba changes are shown in the following table:

	Manitoba changes effective after December 31, 2009		
	From	To	Effective
CCPC rate	1%	0%	December 1, 2010
Threshold up to which CCPC rate applies	\$400,000	\$425,000	January 1, 2014

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

	New Brunswick changes effective after December 31, 2009		
	From	To	Effective
CCPC rate	5%	4.5%*	January 1, 2012

* New Brunswick's 2013 budget stated that "it is [the] government's intention to suspend further reductions in the small business income tax rate" (the 2011 budget had indicated that the small business tax rate would decrease from 5% to 2.5% over four years).

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

	Newfoundland and Labrador changes effective after December 31, 2009		
	From	To	Effective
CCPC rate	5%	4%	Taxation years beginning after March 31, 2010
	4%	3%	

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

	Nova Scotia changes effective after December 31, 2009		
	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 7).

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

	Ontario changes effective after December 31, 2009		
	From	To	Effective
CCPC rate	5.5%	4.5%	July 1, 2010

Ontario's May 1, 2014 budget proposes to extend the federal small business deduction clawback (see footnote 3 to the table, **Federal Corporate Tax Rates**) to Ontario, for taxation years ending after May 1, 2014 (pro-rated for taxation years straddling this date).

Before July 1, 2010, Ontario imposed its own CCPC clawback, as shown below:

Ontario CCPC clawback* effective after December 31, 2009				
Lower threshold	Upper threshold	Addition to rate (between thresholds) due to clawback		Effective
		Non-M&P	M&P	
\$500,000	\$1,500,000	4.25%	3.25%	Before July 1, 2010
n/a	n/a	0%	0%	July 1, 2010

* The surtax clawed back the benefit of Ontario's small business deduction when taxable income of associated corporations exceeded \$500,000. The benefit was eliminated completely once taxable income, on an associated basis, reached \$1,500,000. The addition to the rate, due to the clawback, increased the rate that would otherwise apply.

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

Prince Edward Island changes effective after December 31, 2009			
	From	To	Effective
CCPC rate	2.1%	1%	April 1, 2010
	1%	4.5%	April 1, 2013

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

Quebec changes effective after December 31, 2009			
	From	To	Effective
CCPC rate (M&P)	8%	6%*	June 5, 2014
	6%*	4%*	April 1, 2015

* 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).

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

Saskatchewan changes effective after December 31, 2009			
	From	To	Effective
CCPC rate	4.5%	2%	July 1, 2011

14. Recent and planned Yukon changes are shown in the following table:

Yukon changes effective after December 31, 2009			
	From	To	Effective
CCPC rate (non-M&P)	4%	3%	July 1, 2014
Threshold up to which CCPC rate applies	\$400,000	\$500,000	January 1, 2011