

Canadian-Controlled Private Corporation (CCPC) Income Tax Rates

(for December 31, 2019 year end) (%)

	Active business income of CCPCs up to \$500,000 ¹		Investment income ⁴	
Federal rate (before deductions)		28		28
Small business deduction ^{2,3}		(19)		n/a
Refundable investment tax		n/a		10.67
Federal rate		9 ↓		38.67 ↓
	Provincial/ Territorial	Combined	Provincial/ Territorial	Combined
Alberta ⁵	2	11	11.5	50.16*
British Columbia ⁶	2	11	12	50.67
Manitoba ⁷	Nil	9	12	50.67
New Brunswick ⁸	2.5	11.5	14	52.67
Newfoundland and Labrador	3 H	12	15 H	53.67
Northwest Territories	4	13	11.5	50.17
Nova Scotia ⁹	3 H	12	16	54.67
Nunavut ¹⁰	3.5	12.5	12	50.67
Ontario ^{11, 12}	3.5 H	12.5	11.5 H	50.17
Prince Edward Island ¹³	3.5 H	12.5	16 H	54.67
Quebec ¹⁴	M&P ¹⁵	4 H	13	n/a
	Regular ¹⁵	6 H	15	11.6 H
Saskatchewan ¹⁶	2 ¹	11	12	50.67
Yukon ¹⁷	M&P	1.5	10.5	n/a
	Non-M&P	2	11	12
				50.67

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

* Although 38.67% (federal) + 11.5% (Alberta) = 50.17%, the exact rate is 50.1626%.

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 (\$600,000 for Saskatchewan).

The \$500,000 federal small business threshold also applies in all provinces and territories, except in Saskatchewan, where the CCPC threshold is \$600,000; therefore, in Saskatchewan, the combined rate that applies to active business income from \$500,000 to \$600,000 is 17%.

- See footnote 2 to the table, **Federal Corporate Tax Rates**, for a description of the federal small business deduction threshold and situations in which the small business deduction is reduced.

These reductions also apply for the purposes of all provincial/territorial small business deductions, except that:

- New Brunswick and Ontario will not parallel the federal measure that phases out the small business deduction for CCPCs that earn passive investment income exceeding \$50,000 (on an associated basis) in a previous taxation year, for taxation years beginning after 2018; and
- for Quebec, the \$10 million threshold is based on paid-up capital (on an associated basis), instead of taxable capital.

- For recent changes to the federal small business deduction, see footnote 2 to the table, **Federal Corporate Tax Rates**.
- Rates on investment income are 23.67% higher than the general rates for 2019 (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 10% tax that is refundable when the CCPC pays taxable dividends.

See also "Refundable Investment Tax" in the table, **Other Federal Corporate Tax Rates for 2019**, and footnote 2 to that table for recent changes to the refundable investment tax.

- Recent Alberta changes are shown in the following table:

Alberta changes effective after December 31, 2014			
	From	To	Effective
CCPC rate	3%	2%	January 1, 2017

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

British Columbia changes effective after December 31, 2014			
	From	To	Effective
CCPC rate	2.5%	2%	April 1, 2017

- Recent Manitoba changes are shown in the following table:

Manitoba changes effective after December 31, 2014			
	From	To	Effective
Threshold up to which	\$425,000	\$450,000	January 1, 2016
CCPC rate applies	\$450,000	\$500,000	January 1, 2019

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

	New Brunswick changes effective after December 31, 2014		
	From	To	Effective
CCPC rate	4.5%	4%	January 1, 2015
	4%	3.5%	April 1, 2016
	3.5%	3%	April 1, 2017
	3%	2.5%	April 1, 2018

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

	Nova Scotia changes effective after December 31, 2014		
	From	To	Effective
Threshold up to which CCPC rate applies	\$350,000	\$500,000	January 1, 2017

10. Planned Nunavut changes are shown in the following table:

	Nunavut changes effective after December 31, 2014		
	From	To	Effective
CCPC rate	4%	3%*	July 1, 2019

* Because Nunavut has a non-partisan government, it is uncertain whether draft legislation to decrease the rate to 3% will be enacted.

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

	Ontario changes effective after December 31, 2014		
	From	To	Effective
CCPC rate	4.5%	3.5%	January 1, 2018

12. 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 the rate and thresholds, see the table, **General and M&P Corporate Income Tax Rates** (footnote 6).

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

	Prince Edward Island changes effective after December 31, 2014		
	From	To	Effective
CCPC rate	4.5%	4%	January 1, 2018
	4%	3.5%	January 1, 2019

14. Recent 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 hours paid, 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).

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

	Quebec changes effective after December 31, 2014		
	From	To	Effective
CCPC rate (M&P)	6%*	4%*, **	April 1, 2015
CCPC rate (Regular)	8%	7%	March 28, 2018
	7%	6%	January 1, 2019
	6%	5%	January 1, 2020
	5%	4%	January 1, 2021

* 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 over 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 over 25%, the rates will increase proportionately (straight line) to the regular CCPC rate, or the general rate, depending on the circumstances (i.e., the rate is the regular CCPC rate [for 2019, 6%], or the general rate [for 2019, 11.6%], when the M&P and primary sector percentage is 25% or less).

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

	Saskatchewan changes effective after December 31, 2014		
	From	To	Effective
Threshold up to which CCPC rate applies	\$500,000	\$600,000	January 1, 2018

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

	Yukon changes effective after December 31, 2014		
	From	To	Effective
CCPC rate (non-M&P)	3%	2%	July 1, 2017