

## Federal Corporate Tax Rates — 2011–2017 (%)

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

			2011	2012 – 2015	2016 – 2017
<b>General and manufacturing &amp; processing (M&amp;P) income</b>	Basic rate		38		
	Less: provincial abatement		10		
	General federal rate (before deductions)		28		
	Less: general rate reduction or M&P deduction <sup>1</sup>		11.5	13	
	<b>General federal and M&amp;P rate</b>		<b>16.5</b>	<b>15</b>	
<b>Canadian-controlled private corporations (CCPCs)</b>	<b>Threshold</b>	Small business deduction threshold <sup>2</sup>	<b>\$500,000</b>		
	<b>Active business income up to threshold</b>	General federal rate (before deductions) <sup>1</sup>	28		
		Less: small business deduction <sup>2</sup>	17	17.5	
		<b>CCPC small business rate</b>	<b>11</b>	<b>10.5</b>	
	<b>Investment income</b>	General federal rate (before deductions) <sup>1</sup>	28		
		Additional refundable tax <sup>3</sup>	6.67	10.67	
<b>CCPC investment income rate</b>		<b>34.67</b>	<b>38.67</b>		

### Notes:

- 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). In addition, income from a personal services business is:
  - not eligible for the general rate reduction for taxation years beginning after October 31, 2011; and
  - subject to a federal corporate tax rate of 33% (up from 28%) for taxation years ending after December 31, 2015 (pro-rated for taxation years straddling this date).
- 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 capital employed in Canada, on an associated basis, exceeded \$10 million in the preceding year.

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

	Changes effective after December 31, 2012		
	From	To	Effective
<b>Small business deduction</b>	17%	17.5%	January 1, 2016*

\* The small business deduction was to have increased gradually to 19% from 2017 to 2019, but these increases have been rescinded.

- See “Refundable Investment Tax” in the table, **Other Federal Corporate Tax Rates for 2017**, and footnote 2 to that table for recent changes to the refundable investment tax.