

Canadian-Controlled Private Corporation (CCPC) Income Tax Rates

(for December 31, 2022 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		9⁵		38.67
		↓		↓
	Provincial/ Territorial	Combined	Provincial/ Territorial	Combined
Alberta	2	11	8	46.67
British Columbia	2	11	12	50.67
Manitoba⁶	Nil	9	12	50.67
New Brunswick⁷	2.5	11.5	14	52.67
Newfoundland and Labrador	3 H	12	15 H	53.67
Northwest Territories⁸	2	11	11.5	50.17
Nova Scotia⁹	2.5 H	11.5	14	52.67
Nunavut¹⁰	3	12	12	50.67
Ontario^{11, 12}	3.2 H	12.2	11.5 H	50.17
Prince Edward Island¹³	1 H	10	16 H	54.67
Québec	Regular ¹⁴	12.2	11.5 H	50.17
	M&P ¹⁴		n/a	
Saskatchewan¹⁵	0.5 ¹	9.5	12	50.67
Yukon¹⁶	Nil	9	12	50.67

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

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 15.5%.
- 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 do 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 Québec, 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 2022 (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 $\frac{2}{3}$ % tax that is refundable when the CCPC pays taxable dividends.
See also "Refundable Investment Tax" in the table, **Other Federal Corporate Tax Rates for 2022**.
- See footnote 3 to the table, **Federal Corporate Tax Rates**, for a 2021 federal budget proposal that temporarily reduces federal corporate rates on eligible income from zero-emission technology M&P activities for taxation years beginning after 2021.
- Recent Manitoba changes follow:

	Manitoba changes effective after December 31, 2017		
	From	To	Effective
Threshold up to which CCPC rate applies	\$450,000	\$500,000	January 1, 2019

- Recent New Brunswick changes follow:

	New Brunswick changes effective after December 31, 2017		
	From	To	Effective
CCPC rate	3%	2.5%	April 1, 2018

- Recent Northwest Territories changes follow:

	Northwest Territories changes effective after December 31, 2017		
	From	To	Effective
CCPC rate	4%	2%	January 1, 2021

- Recent Nova Scotia changes follow:

	Nova Scotia changes effective after December 31, 2017		
	From	To	Effective
CCPC rate	3%	2.5%	April 1, 2020

10. Recent Nunavut changes follow:

	Nunavut changes effective after December 31, 2017		
	From	To	Effective
CCPC rate	4%	3%	July 1, 2019

11. Recent Ontario changes follow:

	Ontario changes effective after December 31, 2017		
	From	To	Effective
CCPC rate	4.5%	3.5%	January 1, 2018
	3.5%	3.2%	January 1, 2020

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 5).

13. Recent Prince Edward Island changes follow:

	Prince Edward Island changes effective after December 31, 2017		
	From	To	Effective
CCPC rate	4.5%	4%	January 1, 2018
	4%	3.5%	January 1, 2019
	3.5%	3%	January 1, 2020
	3%	2%	January 1, 2021
	2%	1%	January 1, 2022

14. Recent Québec changes follow:

	Québec changes effective after December 31, 2017		
	From	To	Effective
CCPC rate (Regular)*	8%	7%	March 28, 2018
	7%	6%	January 1, 2019
	6%	5%	January 1, 2020
	5%	4%	January 1, 2021
	4%	3.2%	March 26, 2021
CCPC rate (M&P)**			

* Québec's CCPCs:

- are required to meet the "activities" test (i.e., percentage of activities in the M&P and primary sector) or "hours paid" test to be eligible for the province's regular CCPC rate; and
- will be subject to a tax rate between Québec's regular CCPC rate and its general tax rate, if neither test is met.

** Eligibility for Québec's CCPC M&P rate depends on the percentage of the CCPC's activities attributable to M&P and the primary sector (i.e., agriculture, forestry, fishing and hunting, mining, quarrying, and oil and gas extraction) (based on M&P and primary sector labour costs).

If the percentage is:

- 50% or more, the CCPC M&P rate applies;
- under 50% and more than 25%, the CCPC M&P rate increases proportionately (straight line) to the regular CCPC rate or the general Québec rate, depending on the circumstances; or
- 25% or less, the rate is between the regular CCPC rate and the general Québec rate.

15. Recent and planned Saskatchewan changes follow:

	Saskatchewan changes effective after December 31, 2017		
	From	To	Effective
CCPC rate	2%	Nil	October 1, 2020
	Nil	1%	July 1, 2022
	1%	2%	July 1, 2023
Threshold up to which CCPC rate applies	\$500,000	\$600,000	January 1, 2018

16. Recent Yukon changes follow:

	Yukon changes effective after December 31, 2017		
	From	To	Effective
CCPC rate (non-M&P)	2%	Nil	January 1, 2021
CCPC rate (M&P)	1.5%	Nil	