

Canadian-Controlled Private Corporation (CCPC) Income Tax Rates

(for December 31, 2020 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	10	48.67
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	12	12	50.67
Ontario ^{11, 12}	3.2 H	12.2	11.5 H	50.17
Prince Edward Island ¹³	3 H	12	16 H	54.67
Quebec	M&P ¹⁴	4 H		n/a
	Regular ¹⁵	5 H	11.5 H	50.17
Saskatchewan ¹⁶	2 ¹	11	12	50.67
Yukon ¹⁷	M&P	1.5		n/a
	Non-M&P	2	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 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 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 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 2020 (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 2020**, and footnote 2 to that table for recent changes to the refundable investment tax.

- Recent Alberta changes follow:

	Alberta changes effective after December 31, 2015		
	From	To	Effective
CCPC rate	3%	2%	January 1, 2017

- Recent British Columbia changes follow:

	British Columbia changes effective after December 31, 2015		
	From	To	Effective
CCPC rate	2.5%	2%	April 1, 2017

- Recent Manitoba changes follow:

	Manitoba changes effective after December 31, 2015		
	From	To	Effective
Threshold up to which CCPC rate applies	\$425,000	\$450,000	January 1, 2016
	\$450,000	\$500,000	January 1, 2019

8. Recent New Brunswick changes follow:

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

9. Recent Nova Scotia changes follow:

	Nova Scotia changes effective after December 31, 2015		
	From	To	Effective
Threshold up to which CCPC rate applies	\$350,000	\$500,000	January 1, 2017

10. Recent Nunavut changes follow:

	Nunavut changes effective after December 31, 2015		
	From	To	Effective
CCPC rate	4%	3%	July 1, 2019

11. Recent Ontario changes follow:

	Ontario changes effective after December 31, 2015		
	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 6).

13. Recent Prince Edward Island changes follow:

	Prince Edward Island changes effective after December 31, 2015		
	From	To	Effective
CCPC rate	4.5%	4%	January 1, 2018
	4%	3.5%	January 1, 2019
	3.5%	3%	January 1, 2020

14. Eligibility for Quebec's CCPC M&P rate of 4% depends on the percentage of the CCPC's activities attributable, for taxation years beginning:

- before January 1, 2017, to M&P (based on M&P assets and labour costs); or
- after December 31, 2016, 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 of 4% applies;
- under 50% and more than 25%, the 4% rate increases proportionately (straight line) to the regular CCPC rate or the general Quebec rate, depending on the circumstances; or
- 25% or less, the rate is between the regular CCPC rate and the general Quebec rate.

15. Recent and planned Quebec changes follow:

	Quebec changes effective after December 31, 2015		
	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

* For taxation years beginning after December 31, 2016, Quebec'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 Quebec's regular CCPC rate and its general tax rate, if neither test is met.

16. Recent Saskatchewan changes follow:

	Saskatchewan changes effective after December 31, 2015		
	From	To	Effective
Threshold up to which CCPC rate applies	\$500,000	\$600,000	January 1, 2018

17. Recent Yukon changes follow:

	Yukon changes effective after December 31, 2015		
	From	To	Effective
CCPC rate (non-M&P)	3%	2%	July 1, 2017