



2022 CORPORATE INCOME TAX RATES (current to February 24, 2022)

The rates shown are nominal tax rates as at February 24, 2022. Add federal and provincial/territorial rates to get a combined rate. Rate and amount changes are set out in the notes and should be prorated for taxation years that straddle the effective dates (except where noted).

	Canadian-Controlled Private Corporations (CCPCs)			Other Corporations	
	Active Business Income (ABI)		Investment Income	Manufacturing & Processing	Other
	Rate	Income Limit			
Federal	9.00%	\$500,000	38.67%	15.00%	15.00%
Provincial					
British Columbia	2.00	500,000	12.00	12.00	12.00
Alberta	2.00	500,000	8.00	8.00	8.00
Saskatchewan	0.00	600,000	12.00	10.00	12.00
Manitoba	0.00	500,000	12.00	12.00	12.00
Ontario	3.20	500,000	11.50	10.00	11.50
Québec	3.20	500,000	11.50	11.50	11.50
New Brunswick	2.50	500,000	14.00	14.00	14.00
Nova Scotia	2.50	500,000	14.00	14.00	14.00
Prince Edward Island	1.00	500,000	16.00	16.00	16.00
Newfoundland & Labrador	3.00	500,000	15.00	15.00	15.00
Yukon	0.00	500,000	12.00	2.50	12.00
Northwest Territories	2.00	500,000	11.50	11.50	11.50
Nunavut	3.00	500,000	12.00	12.00	12.00

Note of changes (2021 and later years):

Federal

- The business limit is phased out for Canadian-controlled private corporations (CCPCs) based on the greater of two components:
 - For corporations that have taxable capital employed in Canada of more than \$10 million, the business limit is reduced on a straight-line basis and is eliminated when taxable capital reaches \$15 million.
 - For corporations that earned more than \$50,000 of passive investment income in a year, the business limit is reduced by \$5 for every \$1 of investment income earned and is eliminated when investment income earned reaches \$150,000. Ontario and New Brunswick are not implementing the investment income restriction to the provincial business limit.
- 30.67% of investment income is eligible for a refund at the rate of 38.33% of dividends paid.
- The federal rate on personal services business income is 33.0%.
- The 2021 Federal Budget proposed that corporate tax rates be temporarily reduced for qualifying companies involved in zero-emission technology manufacturing or process activities. It is proposed that the new corporate tax rate be 7.5% where that income would otherwise be taxed at the 15% general corporate tax rate, and 4.5% where that income would otherwise be taxed at the 9% small business tax rate. The proposed reduced tax rates will apply to taxation years that begin after 2021 and will gradually be phased out in taxation years that begin in 2029, to be fully phased out for taxation years that begin after 2031.
- Corporations must either meet the minimum number of remunerated hours test or operate in the manufacturing or primary (MOP) industries to access the small business deduction (SBD).
- To meet the remunerated hours test, the corporation must have paid its employees for at least 5,500 hours per year in its current or previous taxation year. Where the number of hours worked falls below this threshold, the SBD rate will be reduced linearly when the number of hours paid per year falls between 5,000 and 5,500 hours. Where the hours are less than 5,000, no SBD will be available.
- SMBs in the MOP industries that do not meet the remunerated hours test can benefit from the full SBD rate if 50% or more of their activities are in the MOP sector. Where this proportion is between 25% and 50%, the SBD rate will be reduced.
- If a corporation in the MOP sector meets both the minimum proportion of activities test (over 25%) and the minimum number of remunerated hours test (over 5,000 hours), the SBD rate is equal to the greater of the rates calculated under the two tests.
- To provide flexibility in calculating paid hours for the SBD in light of COVID-19, a company with fiscal year ends after June 30, 2020 and before July 1, 2021 will be able to benefit from the SBD if it qualified for it in the previous fiscal year by applying to Revenu Québec.

Prince Edward Island

- Rate on ABI up to the business limit decreased from 3.5% to 3.0% effective Jan. 1, 2020, to 2.0% effective Jan. 1, 2021, and to 1.0% effective Jan. 1, 2022.

Yukon

- Rate on ABI up to the business limit decreased from 2.0% to 0.0% effective Jan. 1, 2021.
- Rate for ABI from M&P activities up to the business limit decreased from 1.5% to 0.0% effective Jan. 1, 2021.

Northwest Territories

- Rate on ABI up to the business limit decreased from 4.0% to 2.0% effective Jan 1, 2021.

Saskatchewan

- Rate on ABI up to the business limit temporarily decreased from 2.0% to 0.0% effective Oct. 1, 2020, and will increase to 1% effective July 1, 2022 and to 2% effective July 1, 2023.

Québec

- The small business rate for small and medium-sized businesses (SMBs) was reduced from 5.0% to 4.0% on Jan. 1, 2021, and to 3.2% on Mar. 26, 2021.