



Tax Facts 2023

Based on tax rates announced to July 1, 2023

Tax Facts 2023 provides you with a summary of 2023 personal income tax rates and amounts, as well as corporate tax rates based on announcements made to July 1, 2023.

What's Inside

Top Personal Rates for 2023

On page 2, we have set out the top rates in Canada on regular income, dividends and capital gains.

Combined Federal and Provincial/Territorial Tax Brackets

On pages 3 to 6, we have condensed the detailed tax rate information for each province/territory into a chart. You can use the chart that applies to you to estimate your combined federal and provincial/territorial tax liability and to determine effective tax rates on regular income, dividends and capital gains within the income ranges provided.

Quick Estimates

To allow you to quickly estimate your tax liability, we have provided a quick estimate chart on pages 7 and 8.

RRSP, RPP and DPSP Limits

On page 9, we have set out the limits for registered retirement savings plans, registered pension plans and deferred profit sharing plans.

CPP, EI and QPIP Rates

On page 9, we have provided the 2023 Employment Insurance rates and premiums, the 2023 Quebec Parental Insurance rates and premiums and the 2023 Canada Pension Plan rates and contributions.

Business Tax Rate Information

On pages 10 and 11, we have provided a summary of corporate income tax rates, as well as employer payroll and sales tax rates.

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2023 TOP PERSONAL MARGINAL TAX RATES

Jurisdiction (1)	Tax on Income Top Rate (%)	Tax-On-Tax Top Rate (%)	Provincial Surtax (%)	2023 Combined Top Marginal Rates			
				Regular Income (%)	Eligible Dividends (%)	Ineligible Dividends (%)	Capital Gains (%)
Federal	33.00	---	---	---	---	---	---
British Columbia > \$241K	20.50	---	---	53.50	36.54	48.89	26.75
Alberta >\$342K	15.00	---	---	48.00	34.31	42.30	24.00
Saskatchewan (2)	14.50	---	---	47.50	29.64	41.82	23.75
Manitoba	17.40	---	---	50.40	37.78	46.67	25.20
Ontario	13.16	---	20.00/36.00	53.53	39.34	47.74	26.77
Québec	25.75	---	---	53.31	40.11	48.70	26.66
New Brunswick (3)	19.50	---	---	52.50	32.40	46.83	26.25
Nova Scotia	21.00	---	---	54.00	41.58	48.27	27.00
Prince Edward Island	16.70	---	10.00	51.37	34.22	47.04	25.69
Newfoundland & Labrador > 1.06M	21.80	---	---	54.80	46.20	48.96	27.40
Yukon >\$500K	15.00	---	---	48.00	28.92	44.05	24.00
Northwest Territories	14.05	---	---	47.05	28.33	36.82	23.53
Nunavut	11.50	---	---	44.50	33.08	37.79	22.25
Non-resident	---	48.00	---	48.84	---	---	24.42

Notes:

- (1) The federal top marginal tax rate applies on taxable income over \$235,675 for 2023. Where the provincial or territorial threshold is higher than federal, the amount is indicated above.
- (2) **Saskatchewan** – The dividend tax credit rate on the taxable amount of ineligible dividends increased from 1.70% to 2.11% for 2023.
- (3) **New Brunswick** – Beginning January 1, 2023, the tax rate on the highest tax bracket was reduced from 20.3% to 19.5%.

2023 COMBINED FEDERAL AND PROVINCIAL/TERRITORIAL TAX BRACKETS

Use the following tables (pages 3-6) to estimate combined federal and provincial/territorial tax and effective combined tax rates on regular income, dividends and capital gains. Tax rates and amounts include surtaxes where applicable. Reduce the tax by your total federal and provincial/territorial tax credits. Note that the 2023 federal basic personal amount (BPA) increases from \$14,398 to \$15,000 for taxpayers with net income of \$165,430 or less. For income above this threshold, the additional BPA of \$1,479 is reduced until it becomes nil at net income of \$235,675. The marginal tax rates in the following tables have been adjusted for this change. Provincial/territorial tax reductions at lower levels of income have not been included.

British Columbia						
Taxable Income Range		Tax on Bottom of Range (Regular Income)	Rate on Regular Income	Rate on Eligible Dividends	Rate on Ineligible Dividends	Rate on Capital Gains
From: (\$)	To: (\$)					
0	45,654	0	20.06	0.00	10.43	10.03
45,654	53,359	9,158	22.70	0.00	13.47	11.35
53,359	91,310	10,907	28.20	7.56	19.80	14.10
91,310	104,835	21,609	31.00	7.56	23.02	15.50
104,835	106,717	25,802	32.79	7.96	25.07	16.40
106,717	127,299	26,419	38.29	15.55	31.40	19.15
127,299	165,430	34,300	40.70	18.88	34.17	20.35
165,430	172,602	49,819	44.02	23.45	37.98	22.01
172,602	235,675	52,976	46.12	26.35	40.40	23.06
235,675	240,716	82,063	49.80	31.44	44.64	24.90
240,716	and over	84,573	53.50	36.54	48.89	26.75

Alberta						
Taxable Income Range		Tax on Bottom of Range (Regular Income)	Rate on Regular Income	Rate on Eligible Dividends	Rate on Ineligible Dividends	Rate on Capital Gains
From: (\$)	To: (\$)					
0	53,359	0	25.00	2.60	15.85	12.50
53,359	106,717	13,340	30.50	10.16	22.18	15.25
106,717	142,292	29,614	36.00	17.75	28.50	18.00
142,292	165,430	42,421	38.00	20.51	30.80	19.00
165,430	170,751	51,213	41.32	25.09	34.62	20.66
170,751	227,668	53,412	42.32	26.47	35.77	21.16
227,668	235,675	77,497	43.32	27.85	36.92	21.66
235,675	341,502	80,965	47.00	32.93	41.15	23.50
341,502	and over	130,704	48.00	34.31	42.30	24.00

Saskatchewan						
Taxable Income Range		Tax on Bottom of Range (Regular Income)	Rate on Regular Income	Rate on Eligible Dividends	Rate on Ineligible Dividends	Rate on Capital Gains
From: (\$)	To: (\$)					
0	49,720	0	25.50	0.00	16.52	12.75
49,720	53,359	12,679	27.50	2.07	18.82	13.75
53,359	106,717	13,679	33.00	9.63	25.14	16.50
106,717	142,058	31,287	38.50	17.22	31.47	19.25
142,058	165,430	44,894	40.50	19.98	33.77	20.25
165,430	235,675	54,359	43.82	24.56	37.58	21.91
235,675	and over	85,138	47.50	29.64	41.82	23.75

Manitoba						
Taxable Income Range		Tax on Bottom of Range (Regular Income)	Rate on Regular Income	Rate on Eligible Dividends	Rate on Ineligible Dividends	Rate on Capital Gains
From: (\$)	To: (\$)					
0	36,842	0	25.80	3.86	18.38	12.90
36,842	53,359	9,505	27.75	6.56	20.63	13.88
53,359	79,625	14,089	33.25	14.12	26.95	16.63
79,625	106,717	22,822	37.90	20.53	32.30	18.95
106,717	165,430	33,090	43.40	28.12	38.62	21.70
165,430	235,675	58,571	46.72	32.70	42.44	23.36
235,675	and over	91,387	50.40	37.78	46.67	25.20

2023 COMBINED FEDERAL AND PROVINCIAL/TERRITORIAL TAX BRACKETS

(See note on page 3.)

Ontario (does not include the Ontario Health Premium Tax)						
Taxable Income Range		Tax on Bottom of Range (Regular Income)	Rate on Regular Income	Rate on Eligible Dividends	Rate on Ineligible Dividends	Rate on Capital Gains
From:	To:					
(\$)	(\$)	(\$)	(%)	(%)	(%)	(%)
0	49,231	0	20.05	0.00	9.24	10.03
49,231	53,359	9,871	24.15	0.00	13.95	12.08
53,359	86,696	10,868	29.65	7.56	20.28	14.83
86,696	98,463	20,752	31.48	8.92	22.38	15.74
98,463	102,139	24,456	33.89	12.24	25.16	16.95
102,139	106,717	25,702	37.91	17.79	29.78	18.95
106,717	150,000	27,438	43.41	25.38	36.10	21.70
150,000	165,430	46,227	44.97	27.53	37.90	22.48
165,430	220,000	53,166	48.29	32.11	41.71	24.14
220,000	235,675	79,515	49.85	34.26	43.50	24.92
235,675	and over	87,328	53.53	39.34	47.74	26.77

Québec						
Taxable Income Range		Tax on Bottom of Range (Regular Income)	Rate on Regular Income	Rate on Eligible Dividends	Rate on Ineligible Dividends	Rate on Capital Gains
From:	To:					
(\$)	(\$)	(\$)	(%)	(%)	(%)	(%)
0	49,275	0	26.53	3.17	17.90	13.27
49,275	53,359	13,070	31.53	10.07	23.65	15.77
53,359	98,540	14,358	36.12	16.39	28.93	18.06
98,540	106,717	30,676	41.12	23.29	34.68	20.56
106,717	119,910	34,038	45.71	29.63	39.96	22.86
119,910	165,430	40,069	47.46	32.04	41.97	23.73
165,430	235,675	61,672	50.23	35.86	45.16	25.12
235,675	and over	96,956	53.31	40.11	48.70	26.66

New Brunswick						
Taxable Income Range		Tax on Bottom of Range (Regular Income)	Rate on Regular Income	Rate on Eligible Dividends	Rate on Ineligible Dividends	Rate on Capital Gains
From:	To:					
(\$)	(\$)	(\$)	(%)	(%)	(%)	(%)
0	47,715	0	24.40	0.00	14.51	12.20
47,715	53,359	11,642	29.00	0.00	19.80	14.50
53,359	95,431	13,279	34.50	7.56	26.13	17.25
95,431	106,717	27,794	36.50	10.32	28.43	18.25
106,717	165,430	31,913	42.00	17.91	34.75	21.00
165,430	176,756	56,573	45.32	22.49	38.57	22.66
176,756	235,675	61,705	48.82	27.32	42.59	24.41
235,675	and over	90,467	52.50	32.40	46.83	26.25

2023 COMBINED FEDERAL AND PROVINCIAL/TERRITORIAL TAX BRACKETS

(See note on page 3. Note that the Nova Scotia BPA increases from \$8,481 to \$11,481 for taxpayers with net income of \$25,000 or less. For income above this threshold, the additional BPA of \$3,000 is reduced until it becomes nil at net income of \$75,000. The marginal tax rates in the following table have been adjusted for this change.)

Nova Scotia						
Taxable Income Range		Tax on Bottom of Range (Regular Income)	Rate on Regular Income	Rate on Eligible Dividends	Rate on Ineligible Dividends	Rate on Capital Gains
From:	To:					
(\$)	(\$)	(\$)	(%)	(%)	(%)	(%)
0	25,000	0	23.79	0.00	13.53	11.90
25,000	29,590	5,948	24.32	0.65	14.14	12.16
29,590	53,359	7,064	30.48	9.15	21.22	15.24
53,359	59,180	14,308	35.98	16.71	27.55	17.99
59,180	75,000	16,402	37.70	19.08	29.53	18.85
75,000	93,000	22,366	37.17	18.35	28.92	18.59
93,000	106,717	29,056	38.00	19.50	29.87	19.00
106,717	150,000	34,269	43.50	27.09	36.20	21.75
150,000	165,430	53,097	47.00	31.92	40.22	23.50
165,430	235,675	60,349	50.32	36.50	44.04	25.16
235,675	and over	95,693	54.00	41.58	48.27	27.00

Prince Edward Island						
Taxable Income Range		Tax on Bottom of Range (Regular Income)	Rate on Regular Income	Rate on Eligible Dividends	Rate on Ineligible Dividends	Rate on Capital Gains
From:	To:					
(\$)	(\$)	(\$)	(%)	(%)	(%)	(%)
0	31,984	0	24.80	0.00	16.64	12.40
31,984	53,359	7,932	28.80	4.55	21.24	14.40
53,359	63,969	14,088	34.30	12.12	27.56	17.15
63,969	101,102	17,727	37.20	16.12	30.90	18.60
101,102	106,717	31,541	38.87	16.97	32.67	19.44
106,717	165,430	33,723	44.37	24.56	38.99	22.19
165,430	235,675	59,774	47.69	29.14	42.80	23.85
235,675	and over	93,271	51.37	34.22	47.04	25.69

Newfoundland & Labrador						
Taxable Income Range		Tax on Bottom of Range (Regular Income)	Rate on Regular Income	Rate on Eligible Dividends	Rate on Ineligible Dividends	Rate on Capital Gains
From:	To:					
(\$)	(\$)	(\$)	(%)	(%)	(%)	(%)
0	41,457	0	23.70	3.31	13.19	11.85
41,457	53,359	9,825	29.50	11.32	19.86	14.75
53,359	82,913	13,336	35.00	18.88	26.19	17.50
82,913	106,717	23,680	36.30	20.67	27.68	18.15
106,717	148,027	32,321	41.80	28.26	34.01	20.90
148,027	165,430	49,589	43.80	31.02	36.31	21.90
165,430	207,239	57,211	47.12	35.60	40.12	23.56
207,239	235,675	76,910	49.12	38.36	42.42	24.56
235,675	264,750	90,876	52.80	43.44	46.66	26.40
264,750	529,500	106,228	53.80	44.82	47.81	26.90
529,500	1,059,000	248,664	54.30	45.51	48.38	27.15
1,059,000	and over	536,182	54.80	46.20	48.96	27.40

2023 COMBINED FEDERAL AND PROVINCIAL/TERRITORIAL TAX BRACKETS

(See note on page 3.)

Yukon						
Taxable Income Range		Tax on Bottom of Range (Regular Income)	Rate on Regular Income	Rate on Eligible Dividends	Rate on Ineligible Dividends	Rate on Capital Gains
From: (\$)	To: (\$)	(\$)	(%)	(%)	(%)	(%)
0	53,359	0	21.40	0.00	13.46	10.70
53,359	106,717	11,419	29.50	7.56	22.77	14.75
106,717	165,430	27,159	36.90	15.15	31.28	18.45
165,430	235,675	48,825	42.25	20.99	37.44	21.13
235,675	500,000	78,503	45.80	25.89	41.52	22.90
500,000	and over	199,564	48.00	28.92	44.05	24.00

Northwest Territories						
Taxable Income Range		Tax on Bottom of Range (Regular Income)	Rate on Regular Income	Rate on Eligible Dividends	Rate on Ineligible Dividends	Rate on Capital Gains
From: (\$)	To: (\$)	(\$)	(%)	(%)	(%)	(%)
0	48,326	0	20.90	0.00	6.87	10.45
48,326	53,359	10,100	23.60	0.00	9.86	11.80
53,359	96,655	11,288	29.10	7.56	16.18	14.55
96,655	106,717	23,887	32.70	8.53	20.32	16.35
106,717	157,139	27,177	38.20	16.12	26.65	19.10
157,139	165,430	46,439	40.05	18.67	28.77	20.03
165,430	235,675	49,759	43.37	23.25	32.59	21.69
235,675	and over	80,221	47.05	28.33	36.82	23.53

Nunavut						
Taxable Income Range		Tax on Bottom of Range (Regular Income)	Rate on Regular Income	Rate on Eligible Dividends	Rate on Ineligible Dividends	Rate on Capital Gains
From: (\$)	To: (\$)	(\$)	(%)	(%)	(%)	(%)
0	50,877	0	19.00	0.00	8.47	9.50
50,877	53,359	9,667	22.00	2.06	11.92	11.00
53,359	101,754	10,213	27.50	9.62	18.24	13.75
101,754	106,717	23,521	29.50	12.38	20.54	14.75
106,717	165,429	24,985	35.00	19.97	26.87	17.50
165,429	235,675	45,535	40.82	28.00	33.55	20.41
235,675	and over	74,206	44.50	33.08	37.79	22.25

Non-Resident						
Taxable Income Range		Tax on Bottom of Range (Regular Income)	Rate on Regular Income	Rate on Eligible Dividends	Rate on Ineligible Dividends	Rate on Capital Gains
From: (\$)	To: (\$)	(\$)	(%)	(%)	(%)	(%)
0	53,359	0	22.20	---	---	11.10
53,359	106,717	11,846	30.34	---	---	15.17
106,717	165,430	28,035	38.48	---	---	19.24
165,430	235,675	50,627	42.92	---	---	21.46
235,675	and over	80,776	48.84	---	---	24.42

2023 PERSONAL TAX QUICK ESTIMATE TABLE

Estimates include basic personal tax credits. Low-income tax reductions and refundable provincial/territorial credits are not included. The Ontario Health Premium is also not included.

Income Level	B.C.	Alta.	Sask.	Man.	Ont.	Qué.
10,000	-	-	-	-	-	-
15,000	153	-	-	-	158	-
20,000	1,156	750	996	1,290	1,161	1,021
25,000	2,159	1,900	2,271	2,580	2,163	2,347
30,000	3,162	3,150	3,546	3,870	3,166	3,673
35,000	4,165	4,400	4,821	5,160	4,168	4,999
40,000	5,168	5,650	6,096	6,512	5,171	6,326
45,000	6,171	6,900	7,371	7,899	6,173	7,652
50,000	7,288	8,150	8,651	9,287	7,207	9,014
55,000	8,514	9,490	10,116	10,764	8,505	10,666
60,000	9,924	11,015	11,766	12,427	9,988	12,472
65,000	11,334	12,540	13,416	14,089	11,470	14,278
70,000	12,744	14,065	15,066	15,752	12,953	16,084
75,000	14,154	15,590	16,716	17,414	14,435	17,889
80,000	15,564	17,115	18,366	19,094	15,918	19,695
85,000	16,974	18,640	20,016	20,989	17,400	21,501
90,000	18,384	20,165	21,666	22,884	18,943	23,307
95,000	19,897	21,690	23,316	24,779	20,517	25,113
100,000	21,447	23,215	24,966	26,674	22,128	26,992
110,000	24,820	26,446	28,447	30,645	26,014	31,254
120,000	28,649	30,046	32,297	34,985	30,355	35,827
130,000	32,543	33,646	36,147	39,325	34,696	40,573
140,000	36,613	37,246	39,997	43,665	39,037	45,319
150,000	40,683	41,000	44,006	48,005	43,378	50,065
220,000 (top Ont.)	71,978	69,902	74,165	80,194	76,666	84,798
235,675 (top federal)	79,207	76,615	81,033	87,517	84,479	92,671
240,716 (top B.C.)	81,717	78,984	83,428	90,058	87,177	95,358
341,502 (top Alta.)	135,638	126,353	131,301	140,854	141,128	149,082
500,000 (top Yukon)	220,434	202,432	206,588	220,737	225,971	233,570
1,059,000 (top N.L.)	519,499	470,752	472,113	502,473	525,202	531,545
Top Combined Marginal Rates						
Regular Income	53.50%	48.00%	47.50%	50.40%	53.53%	53.31%
Dividends — Eligible	36.54%	34.31%	29.64%	37.78%	39.34%	40.11%
Dividends — Ineligible	48.89%	42.30%	41.82%	46.67%	47.74%	48.70%
Capital Gains	26.75%	24.00%	23.75%	25.20%	26.77%	26.66%

2023 PERSONAL TAX QUICK ESTIMATE TABLE

(See note on page 7.)

Income Level	N.B.	N.S.	P.E.I.	N.L.	Y.T.	N.W.T.	Nunavut
10,000	-	-	-	-	-	-	-
15,000	239	309	221	402	-	-	-
20,000	1,459	1,499	1,461	1,587	1,070	951	833
25,000	2,679	2,688	2,701	2,772	2,140	1,996	1,783
30,000	3,899	3,929	3,941	3,957	3,210	3,041	2,733
35,000	5,119	5,453	5,301	5,142	4,280	4,086	3,683
40,000	6,339	6,977	6,741	6,327	5,350	5,131	4,633
45,000	7,559	8,501	8,181	7,717	6,420	6,176	5,583
50,000	8,884	10,025	9,621	9,192	7,490	7,266	6,533
55,000	10,424	11,639	11,151	10,758	8,693	8,536	7,697
60,000	12,149	13,452	12,866	12,508	10,168	9,991	9,072
65,000	13,874	15,337	14,611	14,258	11,643	11,446	10,447
70,000	15,599	17,222	16,471	16,008	13,118	12,901	11,822
75,000	17,324	19,107	18,331	17,758	14,593	14,356	13,197
80,000	19,049	20,965	20,191	19,508	16,068	15,811	14,572
85,000	20,774	22,824	22,051	21,285	17,543	17,266	15,947
90,000	22,499	24,682	23,911	23,100	19,018	18,721	17,322
95,000	24,224	26,557	25,771	24,915	20,493	20,176	18,697
100,000	26,041	28,457	27,631	26,730	21,968	21,752	20,072
110,000	29,871	32,438	31,680	30,540	25,161	25,202	23,167
120,000	34,071	36,788	36,117	34,720	28,851	29,022	26,667
130,000	38,271	41,138	40,554	38,900	32,541	32,842	30,167
140,000	42,471	45,488	44,991	43,080	36,231	36,662	33,667
150,000	46,671	49,838	49,428	47,300	39,921	40,482	37,167
220,000 (top Ont.)	79,394	84,547	82,297	80,024	68,671	70,195	64,841
235,675 (top federal)	87,046	92,434	89,772	87,723	75,293	76,992	71,239
240,716 (top B.C.)	89,693	95,156	92,361	90,385	77,602	79,364	73,482
341,502 (top Alta.)	142,605	149,581	144,135	144,367	123,762	126,784	118,332
500,000 (top Yukon)	225,817	235,170	225,555	229,639	196,354	201,357	188,864
1,059,000 (top N.L.)	519,292	537,030	512,714	533,029	464,674	464,367	437,619
Top Combined Marginal Rates							
Regular Income	52.50%	54.00%	51.37%	54.80%	48.00%	47.05%	44.50%
Dividends — Eligible	32.40%	41.58%	34.22%	46.20%	28.92%	28.33%	33.08%
Dividends — Ineligible	46.83%	48.27%	47.04%	48.96%	44.05%	36.82%	37.79%
Capital Gains	26.25%	27.00%	25.69%	27.40%	24.00%	23.53%	22.25%

RRSP CONTRIBUTION LIMITS⁽¹⁾

Year	Dollar Limit	Income Level ⁽²⁾
2022	\$29,210	\$162,278
2023	\$30,780	\$171,000
2024	\$31,560	\$175,333
2025	Indexed	Indexed

(1) RRSP Contribution Limit for a year is the lesser of the dollar limit for that year and 18% of the prior year's earned income, less any pension adjustment for the prior year (reported on your T4).

(2) Earned income needed in prior year for maximum contribution.

RPP AND DPSP LIMITS

Year	Defined Benefit RPP ⁽¹⁾	Money Purchase RPP ⁽²⁾
2022	\$3,420	\$30,780
2023	\$3,507	\$31,560
2024	Indexed	Indexed

(1) Maximum pension benefit per year of service.

(2) Annual contribution limit.

Note: The DPSP limit is one-half of the money purchase RPP annual contribution limit.

2023 EMPLOYMENT INSURANCE RATES AND PREMIUMS

	Maximum Yearly Insurable Earnings	Employee's Premium Rate	Employer's Premium Rate	Maximum Yearly Employee Premium	Maximum Yearly Employer Premium
All provinces except Québec	\$61,500	1.63%	2.282%	\$1,002.45	\$1,403.43
Québec	\$61,500	1.27%	1.778%	\$781.05	\$1,093.47

2023 QUÉBEC PARENTAL INSURANCE RATES AND PREMIUMS

	Maximum Yearly Insurable Earnings	Employee's/ Individual's Premium Rate	Employer's Premium Rate	Maximum Yearly Employee/ Individual Premium	Maximum Yearly Employer Premium
Salaried	\$91,000	0.494%	0.692%	\$449.54	\$629.72
Self-employed	\$91,000	0.878%	N/A	\$798.98	N/A

2023 CANADA PENSION PLAN RATES AND CONTRIBUTIONS*

Maximum Pensionable Earnings	Basic Exemption	Maximum Contributory Earnings	Employee and Employer Rate	Maximum Employee/ Employer Contribution	Maximum Self-Employed Contribution
\$66,600	\$3,500	\$63,100	5.95%	\$3,754.45	\$7,508.90

*Québec employers deduct the Québec Pension Plan (QPP) contributions instead of CPP contributions. Earnings and exemption amounts are the same as above; employee/employer rates are 6.40% for maximum employee/employer contribution of \$4,038.40 and maximum self-employed contribution of \$8,076.80.

2023 CORPORATE INCOME TAX FACTS AND FIGURES

The rates shown are nominal tax rates as at July 1, 2023. 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%/4.50%	\$500,000	38.67%	15.00%/7.50%	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	1.00	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 (2022 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 \$50 million for taxation years that begin on or after April 7, 2022. The upper limit was \$15 million prior to this change. Except for Ontario and Québec, all provinces and territories automatically follow the federal rules with respect to the interaction of taxable capital and the small business deduction. Ontario has passed legislation to parallel the federal change with the same effective date. Québec also made legislative changes to follow this federal change.
 - 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.
- The corporate tax rates are temporarily reduced for qualifying companies involved in zero-emission technology manufacturing or process activities. The tax rates on zero-emission technology manufacturing profits would be 4.5% where that income would otherwise be taxed at the 9% small business tax rate, and 7.5% where that income would otherwise be taxed at the 15% general corporate tax rate. The reduced tax rates apply to taxation years that begin after 2021 and are legislated to be gradually phased out in taxation years that begin in 2029, and to be fully phased out for taxation years that begin after 2031. However, the 2023 federal budget announced an extension of the reduced tax rates by three years with the gradual phase-out starting in taxation years that begin in 2032 (instead of 2029) and fully phased out for taxation years that begin after 2034 (instead of 2031).
- 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%.
- An additional tax applies to bank and life insurer groups of 1.5% on taxable income over \$100 million for taxation years that end after April 7, 2022, which increases the tax rate from 15% (in the chart above) to 16.5%. The \$100 million taxable income exemption must be shared amongst group members. The additional tax is prorated for the taxation year based on the number of days in the taxation year after April 7, 2022.

- The Canada Recovery Dividend (CRD) was a one-time 15% tax on bank and life insurer groups based on the corporation's 2020 and 2021 average taxable income exceeding \$1 billion. The \$1 billion taxable income exemption must be shared amongst bank and life insurer group members. The CRD liability would be imposed in the 2022 taxation year and payable over five years in equal instalments.

Saskatchewan

- Rate on ABI up to the business limit temporarily decreased from 2% to 0% effective Oct. 1, 2020. The government announced an extension of the 0% small business rate to June 30, 2023, which increased to 1% effective July 1, 2023 (instead of July 1, 2022) and will increase to 2% effective July 1, 2024 (instead of July 1, 2023).

Québec

- 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.

Prince Edward Island

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

2023 EMPLOYER PAYROLL TAX

The following jurisdictions levy an employer payroll tax on remuneration for individuals employed in that jurisdiction. Tax rates for 2023 are listed below. This chart does not include certain other taxes paid by employees as a payroll deduction in N.W.T., Nunavut, and Québec.

Jurisdiction	Payroll Tax Rates (%)	Notes:
Man. ⁽¹⁾	0 – 4.3	<p>(1) Payroll of \$0 to \$2 million, no tax; from \$2 million to \$4 million, 4.3% of payroll over \$2 million; over \$4 million, 2.15% of total payroll. Associated corporations and certain corporate partnerships are deemed to be a single employer. The government has announced increases in thresholds for 2024. The current \$2 million threshold will be increased to \$2.25 million, and the \$4 million threshold will be increased to \$4.5 million.</p> <p>(2) Rate of tax is 0.98% for taxable remuneration that does not exceed \$200,000 and 1.95% for taxable remuneration over \$400,000 (graduated rates apply for payrolls between the thresholds). Taxable remuneration is determined after taking into account any applicable exemption. The general exemption for eligible employers is \$1 million. This exemption is indexed every five years and the next scheduled adjustment for inflation will be January 1, 2029. Private sector employers with annual Ontario payrolls over \$5 million, including groups of associated employers, are not eligible for the exemption. However, eligible employers who are registered charities can claim the exemption even if their payroll exceeds \$5 million. Special rules apply to eligible employers who are registered charities.</p> <p>(3) Rate of tax is 4.26% unless the employer qualifies for a reduced contribution rate. An employer that is not in the public-sector and has total payroll of less than the total payroll threshold applicable for the year, which is \$7.2 million in 2023, is eligible for a reduced rate. For employers whose total payroll is more than 50% attributable to activities in the primary and manufacturing sectors, the rate for 2023 is 1.25% for payrolls of \$1 million or less. The rate rises linearly from 1.25% to 4.26% where payroll is between \$1 million and \$7.2 million. All employers other than public sector employers and employers in the primary and manufacturing sectors described above will pay a rate of 1.65% for 2023 for payrolls of \$1 million or less. The rate rises linearly to 4.26% where payroll is between \$1 million and \$7.2 million. Associated employers must be considered when determining total payroll.</p> <p>(4) Rate of tax is 2% on payrolls over \$2 million (increased from \$1.3 million). Associated corporations and certain partnerships must share this exemption threshold.</p> <p>(5) Payroll of \$0 to \$500,000, no tax; from \$500,000 to \$1.5 million, 2.925% of payroll over \$500,000; over \$1.5 million, 1.95% of total payroll. Associated employers with combined payroll between \$500,000 and \$1.5 million must share the \$500,000 exemption. If combined payroll of the associated employers exceeds \$1.5 million, no exemption is available to any of the employers.</p>
Ont. ⁽²⁾	0 – 1.95	
Qué. ⁽³⁾	1.25 – 4.26 or 1.65 – 4.26	
N.L. ⁽⁴⁾	0 – 2.0	
B.C. ⁽⁵⁾	0 – 2.925	

2023 SALES TAX

Jurisdiction ⁽¹⁾	Sales Tax Rates (%)	Combined Rates (%)	Notes:
Federal	5.0	--	<p>(1) Alberta, Nunavut, the Yukon, and the Northwest Territories do not impose a sales tax.</p> <p>(2) Manitoba previously announced a reduction to its sales tax rate from 7% to 6% effective July 1, 2020; however, this reduction has been deferred until further notice.</p> <p>(3) Ontario has harmonized its sales tax system with the 5% GST to produce a combined federal/provincial rate of 13%.</p> <p>(4) The Québec system is harmonized with the GST though two separate tax systems remain – the GST and the QST.</p> <p>(5) New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador have harmonized their sales tax system with the 5% GST to produce a combined federal/provincial rate of 15%.</p>
B.C.	7.0	12.0	
Sask.	6.0	11.0	
Man. ⁽²⁾	7.0	12.0	
Ont. ⁽³⁾	8.0	13.0	
Qué. ⁽⁴⁾	9.975	14.975	
N.B., N.S., P.E.I. & N.L. ⁽⁵⁾	10.0	15.0	