

# Provincial corporate income tax rates\* - 2010 for active business income

Includes all rate changes announced up to 15 July 2010

	Income eligible for small business deduction (SBD) (%) (generally up to \$500,000 <sup>1</sup> )	Manufacturing and processing (M&P) income not eligible for federal SBD (%) (greater than \$500,000)	General income not eligible for SBD (%) (non-M&P income)
Newfoundland and Labrador <sup>2</sup>	5.00	5.00	14.00
Prince Edward Island <sup>3</sup>			
- Prior to 1 April 2010	2.10	16.00	16.00
- After 31 March 2010	1.00	16.00	16.00
- Calendar year-end rate	1.27	16.00	16.00
Nova Scotia <sup>4</sup>	5.00 (up to \$400k) / 16.00 (\$400-500k)	16.00	16.00
New Brunswick <sup>5</sup>			
- Prior to 1 July 2010	5.00	12.00	12.00
- After 30 June 2010	5.00	11.00	11.00
- Calendar year-end rate	5.00	11.50	11.50
Quebec <sup>6</sup>	8.00	11.90	11.90
Ontario <sup>7,8</sup>			
- Prior to 1 July 2010	5.50	12.00	14.00
- After 30 June 2010	4.50	10.00	12.00
- Calendar year-end rate	5.00	11.00	13.00
Manitoba <sup>9</sup>			
- Prior to 1 Dec 2010	1.00 (up to \$400k)/ 12.00 (\$400-500k)	12.00	12.00
- After 30 Nov 2010	nil (up to \$400k)/ 12.00 (\$400-500k)	12.00	12.00
- Calendar year-end rate	0.92 (up to \$400k)/ 12.00 (\$400-500k)	12.00	12.00
Saskatchewan	4.50	10.00	12.00
Alberta <sup>10</sup>	3.00	10.00	10.00
British Columbia <sup>11</sup>	2.50	10.50	10.50
Northwest Territories	4.00	11.50	11.50
Nunavut	4.00	12.00	12.00
Yukon	2.50/4.00 (up to \$400k)/ 2.50/15.00 (\$400-\$500k) <sup>12</sup>	2.50	15.00

\* Rates represent calendar-year rates unless indicated otherwise.

## NOTES:

1. The 2009 federal budget increased the small business limit from \$400,000 to \$500,000 effective 1 January 2009. Since Newfoundland and Labrador, Prince Edward Island, the Northwest Territories and Nunavut adopt the same small business limit as the federal government, their respective small business limits also increased to \$500,000 effective 1 January 2009. For Nova Scotia, Manitoba and the Yukon, the small business limit remains at \$400,000.
2. The Newfoundland and Labrador small business rate is reduced from 5% to 4% for fiscal periods beginning on or after 1 April 2010.
3. The Prince Edward Island small business rate is reduced from 2.1% to 1% effective 1 April 2010.
4. The Nova Scotia small business rate is reduced from 5.0% to 4.5% effective 1 January 2011.
5. The New Brunswick small business limit increased from \$400,000 to \$500,000 effective 1 January 2009. The general corporate business rate is reduced from 12% to 11% effective 1 July 2010, and will decrease further to 10% on 1 July 2011 and 8% on 1 July 2012.
6. The Quebec small business limit increased from \$400,000 to \$500,000 effective 20 March 2009. The Quebec general corporate rate applies to deposit insurance corporations effective 23 June 2009.
7. Ontario levies different rates on small business income, eligible Canadian profits (M&P, farming, fishing and logging) and other income. The general corporate business rate is reduced from 14% to 12% effective 1 July 2010, and will decrease further to 11.5% on 1 July 2011, 11% on 1 July 2012, and 10% on 1 July 2013. The M&P rate is reduced from 12% to 10% effective 1 July 2010. The small business rate is reduced from 5.5% to 4.5% effective 1 July 2010.
8. Ontario's small business income limit is \$500,000, with a clawback on income up to \$1.5 million until 30 June 2010. The clawback is eliminated effective 1 July 2010. The small business rates do not include the Ontario clawback. For the period 1 January 2010 to 30 June 2010, the clawback will add 4.25% to the general business rate and 3.25% to the M&P rate for taxable income over \$500,000.
9. Manitoba's general corporate rate decreased from 13% to 12% on 1 July 2009. There is no M&P rate reduction. Manitoba's small business rate decreased to 1% effective 1 January 2009, and is further reduced to nil effective 1 December 2010.
10. The Alberta small business income limit increased from \$460,000 to \$500,000 effective 1 April 2009.
11. British Columbia's general corporate rate is reduced to 10.5% effective 1 January 2010, and will be further reduced to 10% effective 1 January 2011. The small business limit increased from \$400,000 to \$500,000 effective 1 January 2010.
12. In the Yukon, the M&P rate (2.5%) is less than the small business rate (4%). The first rate applies to M&P income eligible for the small business deduction, while the second rate is for non-M&P income.