

Corporate investment income tax rates* - 2011

Includes all rate changes announced up to 30 June 2011

Federal	Investment income earned by Canadian-controlled private corporations (CCPCs) (%)		Investment income earned by other corporations (non-CCPCs) (%)	
	34.67 ¹		16.50 ²	
	Provincial/ territorial rates:	Combined federal and provincial/ territorial rates:	Provincial/ territorial rates:	Combined federal and provincial/ territorial rates:
Newfoundland and Labrador	14.00	48.67	14.00	30.50
Prince Edward Island	16.00	50.67	16.00	32.50
Nova Scotia	16.00	50.67	16.00	32.50
New Brunswick ³				
- Prior to 1 July 2011	11.00	45.67	11.00	27.50
- After 30 June 2011	10.00	44.67	10.00	26.50
- Calendar year-end rate	10.50	45.17	10.50	27.00
Quebec	11.90	46.57	11.90	28.40
Ontario ⁴				
- Prior to 1 July 2011	12.00	46.67	12.00	28.50
- After 30 June 2011	11.50	46.17	11.50	28.00
- Calendar year-end rate	11.75	46.42	11.75	28.25
Manitoba	12.00	46.67	12.00	28.50
Saskatchewan	12.00	46.67	12.00	28.50
Alberta	10.00	44.67	10.00	26.50
British Columbia ⁵	10.00	44.67	10.00	26.50
Northwest Territories	11.50	46.17	11.50	28.00
Nunavut	12.00	46.67	12.00	28.50
Yukon	15.00	49.67	15.00	31.50

* Rates represent calendar-year rates unless indicated otherwise.

NOTES:

1. The 11.5% federal general rate reduction does not apply to investment income earned by a CCPC. The federal rate applicable to investment income earned by a CCPC is 34.67% due to the additional 6.67% refundable federal income tax. The additional refundable tax as well as a portion of the regular Part I tax paid on the investment income is refundable to the CCPC as follows: 26 2/3% of the investment income is added to the CCPC's refundable dividend tax on hand account and is refundable at a rate of \$1 for every \$3 of taxable dividends paid.
2. The federal general rate reduction of 11.5% applies to the base federal rate of 28% for active business income (ABI) not eligible for other incentives, as well as to investment income earned by a non-CCPC. The 16.5% general corporate business rate will be reduced to 15% on 1 January 2012.
3. New Brunswick's general corporate business rate is reduced from 11% to 10% effective 1 July 2011. In the New Brunswick 2011-12 budget, the minister confirmed the remaining scheduled reduction in the general corporate rate to 8% on 1 July 2012 will not proceed.
4. The Ontario general corporate business rate is reduced from 12% to 11.50% effective 1 July 2011, and will decrease further to 11% on 1 July 2012 and 10% on 1 July 2013.
5. British Columbia's general corporate rate is reduced from 10.5% to 10% effective 1 January 2011. On 25 May 2011, the minister announced plans to increase the general corporate rate from 10% to 12%, effective 1 January 2012, and postpone the proposed reduction in the small business rate from 2.5% to nil by 1 April 2012. These measures were announced to counteract a reduction in the HST rate from 12% to 10%, and are subject to the results of the HST referendum which are expected to be announced in August.