

Provincial corporate income tax rates* - 2011 for active business income

Includes all rate changes announced up to 30 June 2011

	Income eligible for small business deduction (SBD) (%) (generally up to \$500,000 ¹)	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 ²	4.00	5.00	14.00
Prince Edward Island	1.00	16.00	16.00
Nova Scotia ³	4.50 (up to \$400k) / 16.00 (\$400k-500k)	16.00	16.00
New Brunswick ⁴			
- Prior to 1 July 2011	5.00	11.00	11.00
- After 30 June 2011	5.00	10.00	10.00
- Calendar year-end rate	5.00	10.50	10.50
Quebec	8.00	11.90	11.90
Ontario ⁵			
- Prior to 1 July 2011	4.50	10.00	12.00
- After 30 June 2011	4.50	10.00	11.50
- Calendar year-end rate	4.50	10.00	11.75
Manitoba ⁶	Nil (up to \$400k) / 12.00 (\$400k-500k)	12.00	12.00
Saskatchewan ⁷			
- Prior to 1 July 2011	4.50	10.00	12.00
- After 30 June 2011	2.00	10.00	12.00
- Calendar year-end rate	3.24	10.00	12.00
Alberta	3.00	10.00	10.00
British Columbia ⁸	2.50	10.00	10.00
Northwest Territories	4.00	11.50	11.50
Nunavut	4.00	12.00	12.00
Yukon	2.50/4.00 ⁹	2.50	15.00

* Rates represent calendar-year rates unless indicated otherwise.

NOTES:

1. The small business limit for Nova Scotia and Manitoba is \$400,000. The small business limit for the remaining provinces and territories is \$500,000.
2. The Newfoundland and Labrador small business rate was reduced from 5% to 4% for fiscal periods beginning on or after 1 April 2010.
3. The Nova Scotia small business rate is reduced from 5.0% to 4.5% effective 1 January 2011, and will decrease further to 4% on 1 January 2012.
4. The New Brunswick 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 tax rate to 8% on 1 July 2012 will not proceed. A reduction in the small business rate from 5% to 2.5% was also announced on 23 November 2010. In the 2011-12 budget, the minister confirmed the small business rate will be reduced from 5% to 4.5% effective 1 January 2012. A schedule for the remaining reduction(s) has not yet been provided.
5. Ontario levies different rates on small business income, eligible Canadian profits (ECP: M&P, farming, fishing and logging) and other income. The general corporate business rate is reduced from 12% to 11.5% effective 1 July 2011, and will decrease further to 11% on 1 July 2012, and 10% on 1 July 2013.
6. The Manitoba small business rate is reduced from 1% to nil effective 1 December 2010. Effective 1 January 2011, credit unions and caisses populaires with permanent establishments in Manitoba are subject to a 1% profits tax on taxable income in excess of \$400,000.
7. The Saskatchewan small business rate is reduced from 4.5% to 2% effective 1 July 2011.
8. The British Columbia 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.
9. 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. The small business limit increased from \$400,000 to \$500,000 effective 1 January 2011.