

Provincial corporate income tax rates for active business income* – 2026

Includes all rate changes announced up to June 15, 2026

	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	2.00	15.00	15.00
Prince Edward Island	1.00	15.00	15.00
Nova Scotia	1.50	14.00	14.00
New Brunswick	2.50	14.00	14.00
Quebec ^{3,4}			
• For taxation years beginning before April 30, 2026	3.20	11.50	11.50
• For taxation years beginning after April 29, 2026	2.20	11.50	11.50
Ontario ⁵			
• Prior to July 1, 2026	3.20	10.00	11.50
• After June 30, 2026	2.20	10.00	11.50
• Calendar year-end rate	2.70	10.00	11.50
Manitoba	Nil	12.00	12.00
Saskatchewan	1.00	10.00	12.00
Alberta	2.00	8.00	8.00
British Columbia	2.00	12.00	12.00
Northwest Territories	2.00	11.50	11.50
Nunavut	3.00	12.00	12.00
Yukon	Nil	2.50	12.00

*Rates represent calendar-year rates unless indicated otherwise.



Shape the future
with confidence

Notes:

1. The small-business limit for the provinces and territories is \$500,000, with the exceptions of Prince Edward Island, Nova Scotia and Saskatchewan. Prince Edward Island increased its small-business limit to \$600,000, effective July 1, 2025. Nova Scotia increased its small-business limit to \$700,000, effective April 1, 2025. Saskatchewan increased its small-business limit to \$600,000, effective January 1, 2018.
2. The Newfoundland and Labrador small-business corporate income tax rate is reduced from 2.50% to 2.00%, effective January 1, 2026, and will be further reduced to 1.50%, effective January 1, 2027, and 1.00%, effective January 1, 2028.
3. The Quebec small-business corporate income tax rate is reduced from 3.20% to 2.20%, effective for taxation years beginning after April 29, 2026.
4. Effective for taxation years beginning on or after January 1, 2017, a Canadian-controlled private corporation (CCPC) must meet certain qualification criteria concerning the minimum number of hours paid to benefit from the small-business tax rate. The minimum number of hours paid criterion requires that an eligible corporation's employees work at least 5,500 hours annually, and the amount of the deduction is reduced linearly when the hours are between 5,500 and 5,000 hours. A maximum of 40 hours per week per employee is considered. Special conversion rules apply to take into consideration hours worked (but not necessarily paid in the form of wages) by actively engaged shareholders who hold, directly or indirectly, shares of the corporation that carry more than 50% of the voting rights.
5. The Ontario small-business corporate income tax rate is reduced from 3.20% to 2.20%, effective July 1, 2026.