

## Corporate Income Tax Rates by Province — 2021 (%)

(Prepared from information available as of January 8, 2021)

All rates that change must be pro-rated for taxation years that straddle the effective date. Use the rate changes to determine rates for taxation years ending on December 31, 2017 or later.

Tax holidays may reduce or eliminate provincial tax.

In addition to income tax, financial institutions may also be subject to Part VI Financial Institution Capital Tax (see **Other Federal Corporate Tax Rates for 2021**) and provincial capital taxes (see **Financial Institutions Capital Tax Rates and Exemptions for 2021**).

### General and M&P Corporate Income Tax Rates

(for December 31, 2021 year end) (%)

The percentages shown in the table below reflect the combined federal and provincial/territorial corporate rates (general, as well as manufacturing and processing (M&P)) for a 12-month taxation year ended December 31, 2021, on income allocated to provinces or territories. For Canadian-controlled private corporations (CCPCs), this table does not apply to:

- the first \$500,000 (\$600,000 in Saskatchewan) of active business income; and
- investment income.

For more CCPC rates, see the table, **Canadian-Controlled Private Corporation (CCPC) Income Tax Rates**.

<b>General and Manufacturing &amp; Processing (M&amp;P)</b>		
<b>Basic federal rate</b>		<b>38</b>
Provincial abatement		(10)
<b>Federal rate</b> (before deductions)		<b>28</b>
General rate reduction or M&P deduction		(13) <sup>1</sup>
<b>Federal rate</b>		<b>15<sup>1</sup></b> ↓
	Provincial/Territorial	<b>Combined</b>
<b>Alberta</b> <sup>2</sup>	8	<b>23</b>
<b>British Columbia</b> <sup>3</sup>	12	<b>27</b>
<b>Manitoba</b>	12	<b>27</b>
<b>New Brunswick</b>	14	<b>29</b>
<b>Newfoundland and Labrador</b>	15 <b>H</b>	<b>30</b>
<b>Northwest Territories</b>	11.5	<b>26.5</b>
<b>Nova Scotia</b> <sup>4</sup>	14	<b>29</b>
<b>Nunavut</b>	12	<b>27</b>
<b>Ontario</b> <sup>5</sup>	General	11.5 <b>H</b>
	M&P	10 <b>H</b>
<b>Prince Edward Island</b>	16 <b>H</b>	<b>31</b>
<b>Québec</b> <sup>6</sup>	11.5 <b>H</b>	<b>26.5</b>
<b>Saskatchewan</b> <sup>7</sup>	General	12
	M&P	10 <sup>8</sup>
<b>Yukon</b> <sup>9</sup>	General	12
	M&P	2.5

**H** Tax holidays are available to certain corporations in the provinces indicated.

#### Notes:

1. Footnote 1 to the table, **Federal Corporate Tax Rates**, indicates when the general rate reduction and M&P deduction do not apply.
2. Recent Alberta changes follow:

<b>Alberta changes effective after December 31, 2016</b>			
	<b>From</b>	<b>To</b>	<b>Effective</b>
<b>General and M&amp;P</b>	12%	11%	July 1, 2019
	11%	10%	January 1, 2020
	10%	8%*	July 1, 2020*

\* Alberta's Recovery Plan (released June 29, 2020) announced that the planned reduction of the province's general and M&P rate to 8% will be moved forward to July 1, 2020; the rate was originally scheduled to decrease from 10% to 9% on January 1, 2021, and then to 8% on January 1, 2022.

3. Recent British Columbia changes follow:

<b>British Columbia changes effective after December 31, 2016</b>			
	<b>From</b>	<b>To</b>	<b>Effective</b>
<b>General and M&amp;P</b>	11%	12%	January 1, 2018

4. Recent Nova Scotia changes follow:

	<b>Nova Scotia changes effective after December 31, 2016</b>		
	<b>From</b>	<b>To</b>	<b>Effective</b>
<b>General and M&amp;P</b>	16%	14%	April 1, 2020

5. Corporations subject to Ontario income tax that, on an associated basis, have annual gross revenues of \$100 million or more and total assets of \$50 million or more may also be liable for a 2.7% corporate minimum tax (CMT) based on adjusted book income. The minimum tax is payable only to the extent that it exceeds the regular Ontario income tax liability.

6. Recent Québec changes follow:

	<b>Québec changes effective after December 31, 2016</b>		
	<b>From</b>	<b>To</b>	<b>Effective</b>
<b>General and M&amp;P</b>	11.9%	11.8%	January 1, 2017
	11.8%	11.7%	January 1, 2018
	11.7%	11.6%	January 1, 2019
	11.6%	11.5%	January 1, 2020

7. Recent Saskatchewan changes follow:

	<b>Saskatchewan changes effective after December 31, 2016</b>		
	<b>From</b>	<b>To</b>	<b>Effective</b>
<b>General</b>	12%	11.5%	July 1, 2017
	11.5%*	12%*	January 1, 2018
<b>M&amp;P**</b>	10%	9.5%	July 1, 2017
	9.5%*	10%*	January 1, 2018

\* Saskatchewan's October 25, 2017 throne speech:

- cancelled the general rate reduction from 11.5% to 11%, and the minimum M&P rate reduction from 9.5% to 9% that were to be effective on July 1, 2019; and
- restored on January 1, 2018, the rates that applied before July 1, 2017.

\*\* See footnote 8 below.

8. The rate is the minimum rate that applies to M&P profits in Saskatchewan. The reduction from the general corporate rate is determined by multiplying the maximum rate reduction (2%) by the corporation's allocation of income to Saskatchewan.

9. Recent Yukon changes follow:

	<b>Yukon changes effective after December 31, 2016</b>		
	<b>From</b>	<b>To</b>	<b>Effective</b>
<b>General</b>	15%	12%	July 1, 2017