KPMG

# Tax Facts

2024-2025

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# A practical guide to support your tax planning

Quick access to the latest tax figures plays a key role in meeting reporting deadlines and remaining abreast of constant tax changes. KPMG in Canada's 2024-2025 edition of Tax Facts provides information on select tax rates and credits, filing obligations and other key tax information of interest to Canadian individuals and businesses.

## How KPMG can help

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# Tax Facts

2024-2025

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# Individuals

# Federal and Provincial/Territorial Income Tax Rates and Brackets for 2024[1]

| | Tax Rates | Tax Brackets | Surtax Rates | Surtax Thresholds |
|---|---|---|---|---|
| Federal[1] | 15.00% | Up to $55,867 | | |
| | 20.50 | 55,868–111,733 | | |
| | 26.00 | 111,734–173,205 | | |
| | 29.00 | 173,206–246,752 | | |
| | 33.00 | 246,753 and over | | |
| British Columbia[2] | 5.06% | Up to $47,937 | | |
| | 7.70 | 47,938–95,875 | | |
| | 10.50 | 95,876–110,076 | | |
| | 12.29 | 110,077–133,664 | | |
| | 14.70 | 133,665–181,232 | | |
| | 16.80 | 181,233–252,752 | | |
| | 20.50 | 252,753 and over | | |
| Alberta[3] | 10.00% | Up to $148,269 | | |
| | 12.00 | 148,270–177,922 | | |
| | 13.00 | 177,923–237,230 | | |
| | 14.00 | 237,231–355,845 | | |
| | 15.00 | 355,846 and over | | |
| Saskatchewan[4] | 10.50% | Up to $52,057 | | |
| | 12.50 | 52,058–148,734 | | |
| | 14.50 | 148,735 and over | | |
| Manitoba[5] | 10.80% | Up to $47,000 | | |
| | 12.75 | 47,001–100,000 | | |
| | 17.40 | 100,001 and over | | |
| Ontario[6] | 5.05% | Up to $51,446 | | |
| | 9.15 | 51,447–102,894 | 20% | $5,554 |
| | 11.16 | 102,895–150,000 | 36 | 7,108 |
| | 12.16 | 150,001–220,000 | | |
| | 13.16 | 220,001 and over | | |
| Quebec[7] | 14.00% | Up to $51,780 | | |
| | 19.00 | 51,781–103,545 | | |
| | 24.00 | 103,546–126,000 | | |
| | 25.75 | 126,001 and over | | |

Refer to notes on the following pages.

| | Tax Rates | Tax Brackets | Surtax Rates | Surtax Thresholds |
|---|---|---|---|---|
| New Brunswick[4] | 9.40% | Up to $49,958 | | |
| | 14.00 | 49,959–99,916 | | |
| | 16.00 | 99,917–185,064 | | |
| | 19.50 | 185,065 and over | | |
| Nova Scotia[8] | 8.79% | Up to $29,590 | | |
| | 14.95 | 29,591–59,180 | | |
| | 16.67 | 59,181–93,000 | | |
| | 17.50 | 93,001–150,000 | | |
| | 21.00 | 150,001 and over | | |
| Prince Edward Island[9] | 9.65% | Up to $32,656 | | |
| | 13.63 | 32,657–64,313 | | |
| | 16.65 | 64,314–105,000 | | |
| | 18.00 | 105,001–140,000 | | |
| | 18.75 | 140,001 and over | | |
| Newfoundland and Labrador[10] | 8.70% | Up to $43,198 | | |
| | 14.50 | 43,199–86,395 | | |
| | 15.80 | 86,396–154,244 | | |
| | 17.80 | 154,245–215,943 | | |
| | 19.80 | 215,944–275,870 | | |
| | 20.80 | 275,871–551,739 | | |
| | 21.30 | 551,740–1,103,478 | | |
| | 21.80 | 1,103,479 and over | | |
| Yukon[4] | 6.40% | Up to $55,867 | | |
| | 9.00 | 55,868–111,733 | | |
| | 10.90 | 111,734–173,205 | | |
| | 12.80 | 173,206–500,000 | | |
| | 15.00 | 500,001 and over | | |
| Northwest Territories[4] | 5.90% | Up to $50,597 | | |
| | 8.60 | 50,598–101,198 | | |
| | 12.20 | 101,199–164,525 | | |
| | 14.05 | 164,526 and over | | |
| Nunavut[4] | 4.00% | Up to $53,268 | | |
| | 7.00 | 53,269–106,537 | | |
| | 9.00 | 106,538–173,205 | | |
| | 11.50 | 173,206 and over | | |

Refer to notes on the following page.

**Notes**

(1) The federal tax brackets are indexed each year by a calculated inflation factor, which is based on the change in the average federal inflation rate over the 12-month period ending September 30 of the previous year compared to the change in the rate for the same period of the year prior to that. The federal inflation factor is 4.7% for 2024.

(2) British Columbia indexes its tax brackets using the same formula as that used federally, but uses the provincial inflation rate rather than the federal rate in the calculation. The inflation factor for this province is 5.0% for 2024.

(3) Alberta indexes its tax brackets using the same formula as that used federally, but uses the provincial inflation rate rather than the federal rate in the calculation. The inflation factor for this province is 4.2% for 2024.

(4) Saskatchewan, New Brunswick, Yukon, Northwest Territories and Nunavut index their tax brackets using the same formula as that used federally. The inflation factor for these provinces and territories is 4.7% for 2024.

(5) Manitoba indexes its tax brackets using the same formula as that used federally, but uses the provincial inflation rate rather than the federal rate in the calculation. The inflation factor for this province is 5.2% for 2024.

Manitoba increased its tax brackets to $47,000 and $100,000 (from $36,842 and $79,625), effective for the 2024 tax year, with a return to annual indexing in 2025.

(6) Ontario indexes its tax brackets and surtax thresholds using the same formula as that used federally, but uses the provincial inflation rate rather than the federal rate in the calculation. The inflation factor for this province is 4.5% for 2024.

Ontario surtax of 20% applies to the provincial income tax (before surtax) in excess of $5,554. Ontario surtax of 36% applies in addition to the 20% surtax (i.e., a total surtax of 56%) to the provincial income tax (before surtax) in excess of $7,108. The surtax effectively increases the top marginal tax rate for Ontario residents to 20.53% (13.16% x 156%).

Ontario resident individuals with taxable income over $20,000 are also required to pay a Health Premium each year (see the table "Provincial Health Premiums").

(7) Quebec indexes its tax brackets using the same formula as that used federally, but uses the provincial inflation rate, excluding changes in liquor and tobacco taxes, rather than the federal rate in the calculation. The inflation factor for this province is 5.08% for 2024.

Quebec residents are required to make payments to the province's Health Services Fund (see the table "Provincial Health Premiums").

(8) Nova Scotia does not index its tax brackets. The 2024 Nova Scotia budget introduced indexation of its taxable income brackets for the 2025 and subsequent taxation years.

(9) Prince Edward Island does not index its tax brackets.

Prince Edward Island introduced a new five-bracket personal tax system that replaced the three-bracket system and eliminated the 10% surtax beginning in 2024. As a result, the province's top marginal personal tax rate will increase to 18.75% (from 16.7%), effective January 1, 2024.

The 2024 Prince Edward Island budget proposed to raise the threshold for the first two personal tax brackets, lower the tax rates for the first four brackets and increase the tax rate for the highest tax bracket for the 2025 tax year. As a result, the province's top marginal personal tax rate will increase to 19% (from 18.75%), effective January 1, 2025.

(10) Newfoundland and Labrador indexes its tax brackets using the same formula as that used federally, but uses the provincial inflation rate rather than the federal rate in the calculation. The inflation factor for this province is 4.2% for 2024.

# Federal and Provincial/Territorial Non-Refundable Tax Credit Rates and Amounts for 2024[1]

| | Federal | B.C. | Alta. | Sask. | Man. |
|---|---|---|---|---|---|
| Tax rate applied to credits[1] | 15.00% | 5.06% | 10.00% | 10.50% | 10.80% |
| Indexation factor[2] | 4.7% | 5.0% | 4.2% | 4.7% | 5.2% |
| Basic personal[3] | $15,705 | $12,580 | $21,885 | $18,491 | $15,780 |
| Spousal/partner and wholly dependant person[4,5] | 15,705 | 10,772 | 21,885 | 18,491 | 9,134 |
| Net income threshold | — | 1,078 | — | 1,850 | — |
| Dependants[5] 18 and over and infirm | See Caregiver | See Caregiver | 12,669 | 10,894 | 3,605 |
| Net income threshold | | | 8,369 | 7,730 | 5,115 |
| Caregiver[5] | 8,375 | 5,505 | 12,669 | 10,894 | 3,605 |
| Net income threshold | 19,666 | 18,629 | 20,142 | 18,605 | 12,312 |
| Child[6] (max) | — | — | — | 7,015 | — |
| Adoption[7] (max) | 19,066 | 19,067 | 18,975 | — | 10,000 |
| Disability[8] | 9,872 | 9,435 | 16,882 | 10,894 | 6,180 |
| Disability supplement[9] | 5,758 | 5,505 | 12,669 | 10,894 | 3,605 |
| Pension[8] (max) | 2,000 | 1,000 | 1,685 | 1,000 | 1,000 |
| Age 65 and over[8,10] | 8,790 | 5,641 | 6,099 | 5,633 | 3,728 |
| Net income threshold | 44,325 | 41,993 | 45,400 | 41,933 | 27,749 |
| Medical expense threshold[11] | 2,759 | 2,616 | 2,828 | 2,610 | 1,728 |
| Employment[12] | 1,433 | — | — | — | — |
| Canada Pension Plan[13] (max) | 4,056 | 4,056 | 4,056 | 4,056 | 4,056 |
| Employment Insurance[13] (max) | 1,049 | 1,049 | 1,049 | 1,049 | 1,049 |
| Children's fitness[14] (max) | — | — | — | Ref. | 500 |
| Children's arts[15] (max) | — | — | — | Ref. | 500 |
| Children's wellness[16] (max) | — | — | — | — | — |
| Home buyers[17] (max) | 10,000 | — | — | 10,000 | — |
| Home accessibility[18] (max) | 20,000 | Ref. | — | 10,000 | — |
| Tuition fees[19] | Yes | Yes | No | No | Yes |
| Education[19] Full time—per month | — | — | — | — | 400 |
| Part time—per month | — | — | — | — | 120 |
| Charitable donations[20] Credit rate on first $200 | 15.00% | 5.06% | 60.00% | 10.50% | 10.80% |
| Credit rate on balance | 29.00/ 33.00% | 16.80/ 20.50% | 21.00% | 14.50% | 17.40% |

Refer to notes on the following pages.

Ref. = indicates refundable credit - see applicable note.

| | Ont. | N.B. | N.S. | P.E.I. | Nfld. |
|---|---|---|---|---|---|
| Tax rate applied to credits[1] | 5.05% | 9.40% | 8.79% | 9.65% | 8.70% |
| Indexation factor[2] | 4.5% | 4.7% | n/a | n/a | 4.2% |
| Basic personal[3] | $12,399 | $13,044 | $8,481 | $13,500 | $10,818 |
| Spousal/partner and wholly dependant person[4,5] | 10,528 | 10,223 | 8,481 | 11,466 | 8,840 |
| Net income threshold | 1,053 | 1,023 | 848 | 1,147 | 885 |
| Dependants[5] 18 and over and infirm | See | 5,686 | 2,798 | 2,446 | 3,435 |
| Net income threshold | Caregiver | 8,067 | 5,683 | 4,966 | 7,383 |
| Caregiver[5] | 5,844 | 5,686 | 4,898 | 2,446 | 3,435 |
| Net income threshold | 19,994 | 19,417 | 13,677 | 11,953 | 16,789 |
| Child[6] (max) | — | — | 1,200 | 1,200 | — |
| Adoption[7] (max) | 15,128 | — | — | — | 14,599 |
| Disability[8] | 10,017 | 9,747 | 7,341 | 6,890 | 7,299 |
| Disability supplement[9] | 5,843 | 5,686 | 3,449 | 4,019 | 3,435 |
| Pension[8] (max) | 1,714 | 1,000 | 1,173 | 1,000 | 1,000 |
| Age 65 and over[8,10] | 6,054 | 5,878 | 4,141 | 5,595 | 6,905 |
| Net income threshold | 45,068 | 43,763 | 30,828 | 33,740 | 37,842 |
| Medical expense threshold[11] | 2,807 | 2,724 | 1,637 | 1,678 | 2,356 |
| Employment[12] | — | — | — | — | — |
| Canada Pension Plan[13] (max) | 4,056 | 4,056 | 4,056 | 4,056 | 4,056 |
| Employment Insurance[13] (max) | 1,049 | 1,049 | 1,049 | 1,049 | 1,049 |
| Children's fitness[14] (max) | — | — | Ref. | — | Ref. |
| Children's arts[15] (max) | — | — | Ref. | — | — |
| Children's wellness[16] (max) | — | — | — | 1,000 | — |
| Home buyers[17] (max) | — | — | — | — | — |
| Home accessibility[18] (max) | — | Ref. | — | — | — |
| Tuition fees[19] | No | Yes | Yes | Yes | Yes |
| Education[19] | | | | | |
| Full time—per month | — | — | 200 | 400 | 200 |
| Part time—per month | — | — | 60 | 120 | 60 |
| Charitable donations[20] | | | | | |
| Credit rate on first $200 | 5.05% | 9.40% | 8.79% | 9.65% | 8.70% |
| Credit rate on balance | 11.16% | 17.95% | 21.00% | 18.75% | 21.80% |

Refer to notes on the following pages.

Ref. = indicates refundable credit - see applicable note.

| | Y.T. | N.W.T. | Nvt. |
|---|---|---|---|
| Tax rate applied to credits[1] | 6.40% | 5.90% | 4.00% |
| Indexation factor[2] | 4.7% | 4.7% | 4.7% |
| Basic personal[3] | $15,705 | $17,373 | $18,767 |
| Spousal/partner and wholly dependant person[4,5] | 15,705 | 17,373 | 18,767 |
| Net income threshold | — | — | — |
| Dependants[5] 18 and over and infirm | See Caregiver | 5,759 | 5,759 |
| Net income threshold | | 8,170 | 8,170 |
| Caregiver[5] | 8,375 | 5,758 | 5,758 |
| Net income threshold | 19,666 | 19,666 | 19,666 |
| Child[6] (max) | — | — | 1,200 |
| Adoption[7] (max) | 19,066 | — | — |
| Disability[8] | 9,872 | 14,088 | 15,973 |
| Disability supplement[9] | 5,758 | 5,758 | 5,758 |
| Pension[8] (max) | 2,000 | 1,000 | 2,000 |
| Age 65 and over[8,10] | 8,790 | 8,498 | 11,980 |
| Net income threshold | 44,325 | 44,325 | 44,325 |
| Medical expense threshold[11] | 2,759 | 2,759 | 2,759 |
| Employment[12] | 1,433 | — | — |
| Canada Pension Plan[13] (max) | 4,056 | 4,056 | 4,056 |
| Employment Insurance[13] (max) | 1,049 | 1,049 | 1,049 |
| Children's fitness[14] (max) | Ref. | — | — |
| Children's arts[15] (max) | 500 | — | — |
| Children's wellness[16] (max) | — | — | — |
| Home buyers[17] (max) | — | — | — |
| Home accessibility[18] (max) | — | — | — |
| Tuition fees[19] | Yes | Yes | Yes |
| Education[19] | | | |
| Full time—per month | — | 400 | 400 |
| Part time—per month | — | 120 | 120 |
| Charitable donations[20] | | | |
| Credit rate on first $200 | 6.40% | 5.90% | 4.00% |
| Credit rate on balance | 12.80% | 14.05% | 11.50% |

Refer to notes on the following pages.

Ref. = indicates refundable credit - see applicable note.

## Notes

(1) The table shows the dollar amounts of certain federal, provincial and territorial non- refundable tax credits for 2024 (except for Quebec, see the table “Quebec Non-Refundable Tax Credit Rates and Amounts for 2024”). Unless otherwise noted, in order to determine the credit value, each dollar amount must be multiplied by the tax rate indicated, which is the lowest tax rate applicable in the particular jurisdiction. For example, British Columbia’s basic personal amount of $12,580 is multiplied by 5.06% to determine the credit value of $637.

Income earned by the taxpayer or dependant, as applicable, in excess of the net income thresholds shown in the table serves to reduce the availability of the credit on a dollar-for-dollar basis. The only exception to this is the age credit, which is reduced by 15% of the taxpayer’s net income in excess of the threshold.

Ontario’s tax rate that applies to credits is 7.88% (5.05% x 156%) for an individual who is subject to the 56% surtax.

Prince Edward Island introduced a new five-bracket personal tax system that replaced the three-bracket system and eliminated the 10% surtax beginning in 2024.

(2) The indexation factors indicated in the table are used to index the credits in each jurisdiction. The calculation of these factors is based on the change in the average federal or provincial inflation rate over the 12-month period ending September 30 of the previous year compared to the change in the rate for the same period of the year prior to that.

British Columbia, Alberta, Manitoba, Ontario and Newfoundland and Labrador use the applicable provincial inflation rate in their calculations, while Saskatchewan, New Brunswick, Yukon, Northwest Territories and Nunavut use the federal inflation rate. Nova Scotia and Prince Edward Island do not index their credits.

The 2024 Nova Scotia budget introduced indexation of its provincial personal income tax system for the 2025 and subsequent taxation years. Specifically, the province’s budget notes that taxable income brackets, basic personal amount and certain non-refundable tax credits will be indexed effective January 1, 2025.

Manitoba only indexes the basic personal amount and the personal income tax brackets. Other non-refundable tax credits are not indexed.

(3) Nova Scotia provides an additional basic personal amount of $3,000 where a taxpayer’s income is $25,000 or less. This amount will decrease proportionately if the taxpayer’s income is between $25,000 and $75,000.

Prince Edward Island increased the province’s basic personal amount to $13,500 (from $12,750), effective January 1, 2024. The 2024 Prince Edward Island budget proposed to further increase the province’s basic personal amount to $14,250 (from $13,500), effective January 1, 2025.

The 2024 Manitoba budget introduced changes to phase out the basic personal amount for taxpayers over a net income range of $200,000 to $400,000, effective for the 2025 tax year.

The federal basic personal amount increased to $15,705 (from $15,000) for individuals with net income of $173,205 or less in 2024. For individuals with net income over $246,752 in 2024, the basic personal amount increased to $14,156 (from $13,520). The additional basic personal amount of $1,549 ($15,705 - $14,156) is gradually reduced for individuals with net income between $173,205 and $246,752 in 2024.

Yukon harmonized with the federal basic personal amount.

**Notes, continued**

(4) The spousal/partner and wholly dependant person amounts are calculated by subtracting the spouse/partner and wholly dependant's net income from the maximum amount.

The spousal/partner credit may be claimed for a common-law partner as well as for a spouse. Taxpayers who are single, divorced or separated, and who support a dependant in their home may claim the wholly dependent person credit. The credit can be claimed for dependants under the age of 18 who are related to the taxpayer, for the taxpayer's parents or grandparents, or for any other infirm person who is related to the taxpayer (see note (5)).

The maximum federal spouse or common-law partner amount and the eligible dependant amount increased to $15,705 (from $15,000) for individuals with net income of $173,205 or less in 2024. For individuals with net income over $246,752 in 2024, the maximum amount increased to $14,156 (from $13,520). The additional maximum amount of $1,549 ($15,705 - $14,156) is gradually reduced for individuals with net income between $173,205 and $246,752 in 2024.

Yukon harmonized with the federal spouse or common-law partner amount and the eligible dependant amount.

Nova Scotia provides an additional $3,000 non-refundable tax credit for a spouse/partner and wholly dependant person in the year where a taxpayer's income is $25,000 or less. This amount will decrease proportionately if the taxpayer's income is between $25,000 and $75,000.

Prince Edward Island increased the spouse or common-law partner amount and the eligible dependant amount to $11,466 (from $10,829) for 2024. The province also raised the corresponding income threshold to $1,147 (from $1,083) for 2024. The 2024 Prince Edward Island budget proposed to further increase the province's spouse or common-law partner amount and the eligible dependant amount to $12,103 (from $11,466) and the corresponding income threshold amount to $1,210 (from $1,147), effective for the 2025 tax year.

(5) The caregiver credit is available to taxpayers who care for a related dependant. Generally, the dependant must be over the age of 18 and infirm, or, in the case of a parent or grandparent, over the age of 65 (except for federal, British Columbia, Ontario and Yukon purposes, where the credit is not available in respect of non-infirm dependants).

For the federal caregiver credit, the credit amount is $8,375 in respect of infirm dependants who are parents, grandparents, brothers/sisters, aunts/uncles, nieces/nephews, adult children and grandchildren of the claimant or of the claimant's spouse or common law partner, and $2,616 in respect of an infirm dependent spouse or common-law partner in respect of whom the individual claims the spouse or common-law partner amount, an infirm dependant for whom the individual claims an eligible dependant credit, or an infirm child who is under the age of 18 years at the end of the year.

For Ontario and British Columbia, the credit amount is $5,844 and $5,505, respectively, in respect of relatives who are infirm dependants, including adult children of the claimant or of the claimant's spouse or common-law partner.

**Notes, continued**

(6) Nova Scotia, Prince Edward Island and Nunavut each provide a credit for children under the age of 6. If certain conditions are met, individuals in Nova Scotia and Prince Edward Island may claim $100 per eligible month for a maximum of $1,200 per year, and individuals in Nunavut may claim $1,200 per year. For Nova Scotia and Prince Edward Island, unused credit amounts may not be transferred between spouses. For Nunavut, unused credit amounts may be transferred between spouses.

Saskatchewan provides a credit for children of 18 years of age or under in the year if certain conditions are met. Unused credit amounts may be transferred between spouses.

(7) The adoption credit is available on eligible adoption expenses incurred in the year and not reimbursed to the taxpayer, up to the maximum amount indicated in the table.

(8) The disability, pension and age credits are transferable to a spouse or partner. The amounts available for transfer are generally reduced by the excess of the spouse's or partner's net income over the basic personal amount. The disability credit is also transferable to a supporting person other than a spouse or partner; however, the amount of the credit is generally reduced by the excess of the disabled person's net income over the basic personal amount.

(9) The disability supplement may be claimed by an individual who is under the age of 18 at the end of the year. The amount in the table represents the maximum amount that may be claimed, and is reduced by certain child and attendant care expenses claimed in respect of this individual.

(10) Saskatchewan provides an additional non-refundable tax credit for individuals aged 65 or older in the year, regardless of their net income amount. The amount for 2024 is $1,487.

Nova Scotia provides an additional non-refundable tax credit for individuals aged 65 or older in the year if their taxable income is $25,000 or less. The amount for 2024 is $1,465. This amount will decrease proportionately if their income is between $25,000 and $75,000.

Prince Edward Island increased the age credit amount (for persons aged 65 and older) to $5,595 (from $4,679) for 2024. The province also raised the corresponding income threshold to $33,740 (from $30,879) for 2024. The 2024 Prince Edward Island budget proposed to further increase the province's age credit amount to $6,510 (from $5,595) and the corresponding income threshold to $36,600 (from $33,740), effective for the 2025 tax year.

(11) The medical expense credit is calculated based on qualified medical expenses exceeding 3% of net income or the threshold shown in the table, whichever is less. Medical expenses incurred by both spouses/partners and by their children under age 18 may be totalled and claimed by either spouse/partner.

Taxpayers can also claim medical expenses for other eligible dependants to the extent the amount exceeds the lesser of 3% of net income of the dependant or the threshold shown in the table. Ontario is currently the only province with a maximum allowable medical expense for other eligible dependants. The limit is $15,128 for 2024.

The Ontario Seniors Care at Home Tax Credit provides up to 25% of an eligible senior's claimable medical expenses up to $6,000. This refundable credit is available to seniors that turn 70 years of age or older in the year (or have a spouse or common-law partner who turned 70 years of age or older in the year) and are resident in Ontario at the end of the tax year. This refundable credit can be claimed in addition to the non-refundable federal and Ontario Medical Expense Tax Credits for the same eligible expenses. The credit is reduced by 5% of family net income over $35,000 and fully phased out at $65,000.

**Notes, continued**

(12) The federal employment credit may be claimed by individuals based on the lesser of the amount indicated in the table and the amount of employment income earned in the year.

Yukon also provides the non-refundable federal employment credit.

(13) Self-employed individuals are subject to a higher Canada or Quebec Pension Plan contribution rate and can generally deduct a portion of their contributions in calculating net income. The balance is claimed as a non-refundable tax credit. Self-employed taxpayers can also claim Employment Insurance premiums paid.

(14) Taxpayers in Manitoba can claim a maximum of $500 for fees paid on registration or membership for an eligible program of physical activity for children or young adults under the age of 25 at the end of the year. For a child under the age of 18 at the end of the year, the claim may be made by the child or their parent. For a young adult 18 to 24 years of age at the end of the year, the claim may be made by the young adult, spouse or common-law partner. For children or young adults eligible for the disability tax credit, taxpayers can claim an additional $500 if a minimum of $100 is paid for registration or membership fees for a prescribed program of physical activity.

Taxpayers in Yukon can claim a maximum of $1,000 for eligible fees paid on registration or membership for a prescribed program of physical activity for children under the age of 16 (or under the age of 18 if eligible for the disability tax credit) at the beginning of the year. For children eligible for the disability tax credit and under the age of 18, taxpayers can claim an additional $500 if a minimum of $100 is paid for registration or membership fees for a prescribed program of physical activity. The children's fitness tax credit is a refundable credit in Yukon.

Taxpayers in Saskatchewan with family income of $60,000 or less can claim a maximum of $150 annually per child ($200 per child eligible for the disability tax credit) under the age of 19 at the end of the year for fees paid to register children in eligible sports, recreational and cultural activities. This tax credit is a refundable credit in Saskatchewan.

Taxpayers in Newfoundland and Labrador can claim a refundable tax credit on eligible fitness expenses of up to $2,000 per family and worth up to $348 ($2,000 x 17.4%).

Taxpayers in Nova Scotia can claim a $500 refundable tax credit for eligible expenditures on artistic, cultural, and physical activities for children under the age of 19.

(15) Taxpayers in Manitoba and Yukon can claim a maximum of $500 for fees paid relating to the cost of registration or membership in an eligible program of artistic, cultural, recreational, or developmental activity for children under the age of 16 (or 18 if eligible for the disability tax credit) at the beginning of the year. For children under 18 years of age at the beginning of the year eligible for the disability tax credit, taxpayers can claim an additional $500 if a minimum of $100 is paid for registration or membership fees for an eligible artistic program.

Taxpayers in Saskatchewan with family income of $60,000 or less can claim a maximum of $150 annually per child ($200 per child eligible for the disability tax credit) under the age of 19 at the end of the year for fees paid to register children in eligible sports, recreational and cultural activities. This tax credit is a refundable credit in Saskatchewan.

Taxpayers in Nova Scotia can claim a $500 refundable tax credit for eligible expenditures on artistic, cultural, and physical activities for children under the age of 19.

**Notes, continued**

(16) Taxpayers in Prince Edward Island can claim a non-refundable children's wellness tax credit. This credit is increased to $1,000 (from $500) for 2024 and is available to families with children under the age of 18, for eligible activities (artistic, cultural, recreational or developmental activity or a physical activity) related to their children's well-being.

(17) First-time home buyers who acquire a qualifying home during the year may be entitled to claim a federal non-refundable tax credit of up to $10,000 and worth up to $1,500 ($10,000 x 15%).

To qualify, neither the individual nor their spouse or common-law partner can have owned and lived in another home in the calendar year of the new home purchase or in any of the four preceding calendar years. The credit can be claimed by either the purchaser or by their spouse or common-law partner.

The credit will also be available for certain home purchases by or for the benefit of an individual eligible for the disability tax credit.

Saskatchewan's first-time homebuyers' amount provides a non-refundable tax credit of up to $1,050 (10.5% x $10,000) to eligible taxpayers. There are also provisions to allow persons with a disability to qualify for the purchase of more accessible homes, with eligibility rules similar to those for the existing federal incentive for first-time home buyers.

(18) The home accessibility tax credit provides a credit for qualifying expenses incurred for work performed or goods acquired in respect of a qualifying renovation of an eligible dwelling of someone who is 65 years or older before the end of the taxation year or eligible for the disability tax credit.

British Columbia and New Brunswick provide a refundable credit of up to $1,000 for similar expenses.

(19) The eligible portion of the tuition and education tax credits are transferable to a spouse or common-law partner, parent or grandparent. Any amounts not transferred may be carried forward indefinitely by the student.

(20) Charitable donations made by both spouses/partners may be totalled and claimed by either person. The maximum amount of donations that may be claimed in a year is 75% of net income. However, all donations may be carried forward for five years if they are not claimed in the year made.

The federal donation tax credit rate of 33% applies to charitable donations over $200 to the extent the donor's income exceeds $246,752. Otherwise, a rate of 29% applies to donations over $200.

British Columbia's donation tax credit rate is 5.06% on the first $200 of donations and 20.5% on donations over $200 to the extent the donor's income exceeds $252,752. Otherwise, a rate of 16.8% applies to donations over $200.

Ontario's tax credit rate for donations over $200 is 17.41% for an individual who is subject to the 56% surtax.

# Quebec Non-Refundable Tax Credit Rates and Amounts for 2024

| | |
|---|---|
| **Tax rate applied to credits[1]** | 14% |
| **Indexation factor[2]** | 5.08% |
| **Basic personal amount** | $18,056 |
| **Amounts for dependents:** | |
| Child under 18 engaged in full-time training or post-secondary studies[3] | 3,717 |
| Child over 17 who is a full-time student[4] | See Note |
| Other dependents over 17[5] | 5,416 |
| **Person living alone or with a dependent:[6]** | |
| Basic amount[7] | 2,069 |
| Single-parent amount (supplement)[8] | 2,554 |
| **Age 65 and over[6]** | 3,798 |
| **Career extension[9]** | |
| Age 60 to 64 | 10,000 |
| Age 65 and over | 11,000 |
| **Retirement income[6] (max)** | 3,374 |
| **Disability** | 4,009 |
| **First-time home buyers[10]** | 10,000 |
| **Union and professional dues[11]** | 10% |
| **Tuition fees[12]** | 8% |
| **Interest paid on student loans[13]** | 20% |
| **Medical expenses[14]** | 20% |
| **Charitable donations[15]** | |
| Credit rate on first $200 | 20% |
| Credit rate on balance | 24/25.75% |

## Notes

(1) In order to determine the credit value, each dollar value must be multiplied by Quebec's tax credit rate. For example, the basic personal credit amount of $18,056 is multiplied by 14% to determine the credit value of $2,528.

The unused portion of all non-refundable credits may be transferred from one spouse/partner to another, but only after all credits have been taken into account in the calculation of the individual's income tax otherwise payable.

(2) Quebec indexes its tax credits each year by using an inflation factor that is calculated based on the provincial rate of inflation, excluding changes in liquor and tobacco taxes. The Quebec inflation factor is 5.08% for 2024. For the purpose of calculating the basic personal amount and personal tax credits, Quebec's tax legislation stipulates automatic indexation.

(3) This credit is available for a dependent child who is under the age of 18 and is engaged in full-time professional training or post-secondary studies for each completed term, to a maximum of two semesters per year per dependent. It is also available for infirm dependents who are engaged in such activities part-time.

**Notes, continued**

(4) An eligible student is able to transfer to either parent an amount related to the unused portion of their basic personal amount for the year (transfer mechanism for the recognized parental contribution). Each taxation year, the amount that can be transferred must not exceed the limit applicable for that particular year ($13,280 for 2024).

(5) This credit is available if a dependent, other than a spouse, is related to the taxpayer by blood, marriage or adoption and ordinarily lives with the taxpayer. In order to be eligible for the tax credit, the taxpayer must also not have benefited from a transfer of the recognized parental contribution from this dependent.

(6) The total of the credits for being 65 years of age or over, for living alone or with a dependent, and for receiving retirement income is reduced by 18.75% of the amount by which net family income exceeds $40,925.

(7) The basic amount is available if the individual lives in a self-contained domestic establishment that the individual maintains and in which no other person, other than the individual, a minor person, or an eligible student lives of whom the individual is either the father, mother, grandfather or grandmother, or the great-grandfather or great-grandmother.

(8) If an individual (i.e., father or mother) is living with an eligible student (i.e., a person who is 18 or over and is a post-secondary or vocational training student who transferred or could have transferred an amount to the single-parent (see note (4)), the individual may be able to add an amount for a single-parent family of $2,554 to the basic amount for a person living alone (see note (7)).

(9) This credit is available for workers who are 60 years of age or older. For workers aged 60 to 64, the credit will apply at a 14% rate to $10,000 of "eligible work income" in excess of $5,000. For workers aged 65 and over, the credit will apply at a 14% rate to $11,000 of "eligible work income" in excess of $5,000. The credit for workers aged 60 and over is reduced by 5% of "eligible work income" over $40,925. "Eligible work income" includes salary and business income, but excludes taxable benefits received for a previous employment as well as amounts deducted in computing taxable income, such as the stock option deduction.

Any unused portion of the tax credit may not be carried forward or transferred to the individual's spouse.

(10) Quebec harmonized with the federal increase to the non-refundable first-time home buyer's tax credit to $10,000 (from $5,000), which increased the value of the credit to $1,400 ($10,000 x 14%) for a housing unit located in Quebec.

To qualify for the non-refundable tax credit, the individual or his or her spouse has to intend to inhabit the home as a principal place of residence no later than one year after the time of acquisition and neither the individual nor his or her spouse can have owned and lived in another home in the calendar year of the new home purchase or in any of the four preceding calendar years.

(11) The credit for union and professional dues is calculated based on the annual fees paid in the year. The portion of professional dues relating to liability insurance is allowed as a deduction from income and therefore not included in calculating the credit amount.

**Notes, continued**

(12) The tuition credit is calculated based on tuition, professional examination and mandatory ancillary fees paid for the calendar year. Tuition fees qualify for an 8% non-refundable credit for Quebec tax purposes. The student may transfer the unused portion of the tuition credit to either one of his/her parents or grandparents. The portion of this credit that is not transferred will be available for future use by the student.

(13) A tax credit at a rate of 20% may be claimed for interest paid on student loans. Interest not claimed in a particular year may be carried forward indefinitely.

(14) The medical expense credit is calculated based on qualified medical expenses in excess of 3% of family income. Family income is the total income of both spouses/partners. A tax credit at a rate of 20% may be claimed for eligible medical expenses and eligible expenses to obtain medical care not provided in the region where an individual lives.

(15) Charitable donations made by both spouses/partners may be totalled and claimed by either person. The maximum amount of donations that may be claimed in a year is 100% of net income. However, all donations may be carried forward for five years (or 10 years for certain particular donations) if they are not claimed in the year made.

Quebec's tax credit for donations is 20% on the first $200 of eligible gifts in the year and 25.75% to the extent the donor's income exceeds $126,000 in 2024. All remaining donations are eligible for a 24% tax credit.

# Quebec Refundable Tax Credit Rates and Amounts for 2024[1]

| | Tax rate | Max expense | Max credit |
|---|---|---|---|
| **Medical expenses**[2]<br>Reduced by 5% of family income in excess of $27,550[3] | 25% | certain eligible medical expenses | $ 1,425 |
| **Childcare expense credit**[3,4] | from 67% to 78% | | |
| The lesser of expenses incurred or: | | | |
| For a child who has a severe or prolonged mental or physical impairment | | 16,335 | |
| For a child under the age of seven | | 11,935 | |
| For a child under the age of sixteen | | 6,010 | |
| **Adoption expense credit**[5] | 50% | 20,000 | 10,000 |
| **Infertility treatment credit**[6] | from 20% to 80% | 20,000 | 16,000 |
| **Tax credit for caregivers**[3,7] | | | |
| Basic amount | | | 1,453 |
| Reducible amount<br>Reduced by 16% of the eligible care receiver's income over $25,785[3] | | | 1,453 |
| **Home support services for seniors**[8] | | | |
| Not recognized as dependent seniors | 38% | 19,500 | 7,410 |
| Recognized as dependent seniors | 38% | 25,500 | 9,690 |
| **Short-term transition of seniors in rehabilitation centre**[9] | 20% | costs incurred in maximum 60-day period | |
| **Independent living for seniors**[11] | 20% | costs incurred in excess of $250 | |
| **Residential waste water treatment system**[11] | 20% | costs incurred in excess of $2,500 | 5,500 |

**Notes**

(1) Quebec's credit rate, maximum expense eligible and method of calculation of the credit vary from one type of refundable credit to another. Quebec's credit rate is applied to the dollar amounts in the table to determine the maximum credit value. For example, the adoption expense credit amount of $20,000 is multiplied by 50% to determine the maximum credit value of $10,000. Some refundable credits are reduced when thresholds are exceeded.

**Notes, continued**

(2) Quebec provides a refundable tax credit equal to the total of 25% of medical expenses eligible for the non-refundable credit (see the table “Quebec Non-Refundable Tax Credit Rates and Amounts for 2024”) and 25% of the amount deducted for disability support products and services. A minimum amount of work income has to be earned in order to claim the refundable tax credit: $3,645 for 2024.

(3) Quebec indexes various tax credits each year by using an inflation factor that is calculated based on the provincial rate of inflation, excluding changes in liquor and tobacco taxes. The Quebec inflation factor is 5.08% for 2024.

(4) Unlike the federal treatment of qualifying childcare expenses, which are eligible for a deduction in computing net income, Quebec provides a refundable tax credit for such expenses. The rate of the tax credit falls as net family income rises.

In general, the maximum amount of expenses eligible for the credit in 2024 is the lesser of:

- The total of:
    - $16,335 for an eligible child of any age who has a severe or prolonged mental or physical impairment
    - $11,935 for an eligible child under the age of seven
    - $6,010 for an eligible child aged 7 or more but under the age of 16 or an eligible child who has a mental or physical infirmity.
- The actual childcare expenses incurred in the year.

The definition of eligible expenses includes costs incurred during the period an individual receives benefits under the Quebec Parental Insurance Plan or the Employment Insurance Plan (see the table “Employment Withholdings—Quebec“). The childcare expenses are not limited by the earned income of the parent. For the purpose of calculating the refundable tax credit for childcare expenses, the definition of “eligible child” of an individual means a child of the individual or the individual’s spouse, or a child who is a dependant of the individual or the individual’s spouse and whose income for the year does not exceed $13,280, if, in any case, at any time during the year, the child is under 16 years of age or is dependent on the individual or the individual’s spouse and has a mental or physical infirmity.

(5) Qualifying expenses include court and legal fees paid to obtain the final adoption order, travel and accommodation expenses for foreign adoptions, translation expenses, and fees charged by foreign and domestic social agencies.

(6) The applicable tax credit rate varies from 20% to 80% of eligible infertility expenses, depending on family situation and income. The credit can be claimed on infertility expenses paid in the year of up to $20,000.

**Notes, continued**

(7) The tax credit for caregivers consists of two components:

Component 1: A basic amount of $1,453 for a caregiver providing care to a person aged 18 or older who has a severe and prolonged impairment and needs assistance in carrying out a basic activity of daily living and a reducible amount of up to $1,453 is available where the caregiver co-resides with the eligible care receiver. Where the caregiver does not co-reside with the eligible care receiver aged 18 or older with a severe and prolonged impairment, then the caregiver is only eligible for the reducible amount of up to $1,453. The reducible amount is reduced by 16% for each dollar of income of the eligible care receiver in excess of $25,785 for 2024.

Component 2: A basic amount of $1,453 for a caregiver who supports and co-resides with an eligible care receiver aged 70 or older.

For the purpose of the tax credit for caregivers, an eligible care receiver is a spouse, father, mother, grandparent, child, grandchild, nephew, niece, brother, sister, uncle, aunt, great-uncle, great-aunt or any other direct ascendant of the individual or the individual's spouse.

The following table summarizes the maximum tax credit amount for caregivers for 2024:

| | **Component 1: Caregiver providing care to a care receiver with a severe and prolonged impairment** | | **Component 2: Caregiver providing care to a care receiver aged 70 or older** |
|---|---|---|---|
| | Caregiver co-residing with an eligible care receiver aged 18 or older | Caregiver does not reside with an eligible care receiver aged 18 or older | Caregiver co-residing with an eligible care receiver aged 70 or older |
| Basic amount | $1,453 | Not entitled | $1,453 |
| Reducible amount | $1,453 | $1,453 | Not entitled |
| Total - maximum | $2,906 | $1,453 | $1,453 |

**Notes, continued**

(8) The home-support services for seniors tax credit can be claimed by persons age 70 and over living in their home. The maximum home-support services for seniors tax credit is higher for an individual or a spouse who is considered a dependent senior. If the expense also qualifies for the non-refundable medical expense credit (see the table "Quebec Non-Refundable Tax Credit Rates and Amounts for 2024"), it cannot be claimed for this tax credit as well. The tax credit rate is increased to 38% (from 37%) for 2024. Quebec will gradually increase the tax credit rate by 1% per year until it reaches 40% in 2026. The tax credit is reduced as follows:

- For dependent seniors, only the enhanced tax credit may be reduced. The enhanced tax credit is reduced by 3% for each dollar of family income in excess of the reduction threshold ($69,040 in 2024).
- For non-dependent seniors, the combined tax credit (i.e., both the base tax credit and the enhanced tax credit) may be reduced.
  - The combined tax credit is first reduced by 3% for each dollar of family income in excess of the first reduction threshold ($69,040 in 2024), up to the second reduction threshold ($111,845 in 2024).
  - The combined tax credit is further reduced by 7% for each dollar of family income in excess of the second reduction threshold ($111,845 in 2024).

(9) The rehabilitation centre tax credit can be claimed by seniors age 70 or older in respect of costs incurred for the first 60 days of any given stay in a public or private "functional rehabilitation transition unit". There is no limit to the number of stays that can be claimed.

(10) The independent living tax credit can be claimed by seniors age 70 or older for the purchase or rental of eligible equipment (including installation costs) used to continue living independently. Examples of eligible equipment include remote monitoring systems, GPS tracking devices for persons, and walk-in bathtubs or showers.

(11) The temporary refundable tax credit for the upgrading of residential waste water treatment systems of a principal residence or a cottage which includes the construction, renovation, modification or rebuilding of a system for the discharge, collection and disposal of waste water, toilet effluents or grey water, can be claimed if the work is carried out by a qualified contractor and paid under a service agreement entered into after March 31, 2017 and before April 1, 2027.

# Charitable Donations

| | Federal | Quebec[3] | Other provinces/ territories |
|---|---|---|---|
| **Tax credit rates for an individual's donations[1]** | | | |
| First $200 of donations | 15% | 20% | Lowest provincial/territorial tax rate[5] |
| Balance of donations | 29/33[2] | 24/25.75[4] | Highest provincial/territorial tax rate[6] |
| | | **Net income limit[7]** | **Capital gain inclusion rate[8]** |
| **Eligible property for an individual** | | | |
| Cash | | 75% | n/a |
| Certified cultural property[9] | | n/a | 0 |
| Ecological property[10] | | n/a | 0 |
| Qualifying securities[11] | | 75% plus 25% of taxable capital gain | 0 |
| Capital property[12] | | 75% plus 25% of taxable capital gain and recapture | 50/66.67% |
| **Donations made in an individual's will** | | | |
| All gifts[13] | | 100% | As above |
| **Donations made by corporations** | | | |
| All gifts[14] | | Same as for individuals | Same as for individuals |

**Notes**

(1) Charitable donations entitle individuals to a two-tier non-refundable tax credit in most provinces/territories, and three-tier refundable tax credit for federal and Quebec purposes (see notes (3) and (5)). The tax credit is calculated using one rate for donations of up to $200, and another tax rate for donations exceeding $200 (see the table “Federal and Provincial/Territorial Non-Refundable Tax Credit Rates and Amounts for 2024”).

Eligible donations can be claimed for donations made by the taxpayer or their spouse that are supported by official receipts that reflect the recipient charity's registration number. All donations made to registered Canadian charities and other qualified donees during an individual's lifetime will earn non-refundable credits at the rates shown in the table. Credits are subject to a net income restriction (see note (7)), but unused credits may be carried forward for five years.

**Notes, continued**

(2) A donation tax credit rate of 15% is available on the first $200 and generally 29% for amounts over $200. A 33% donation tax credit can be claimed for charitable donations over $200 to the extent that individual has income that is subject to the 33% tax rate (i.e., income over $246,752 in 2024).

(3) In Quebec, an individual (other than a trust) may be eligible for an additional 25% non-refundable tax credit for a single large cultural donation of at least $5,000 but no more than $25,000 and a 30% non-refundable tax credit for cultural patronage donation of $250,000 or more made to an eligible cultural donee.

Other measures apply for individuals and corporations on donations of public artwork intended for installation in a place accessible to students and donations of a building that can house artist studios or cultural organizations.

(4) Quebec's tax credit is 20% on the first $200 of eligible gifts and 24% for amounts over $200. A 25.75% donation tax credit can be claimed to the extent the donor's income exceeds $126,000.

(5) Alberta's donation tax credit rate for donations on the first $200 of donation is 60% although the lowest tax rate in the province is 10%.

(6) For all provincial/territorial tax credit rates for donations, see the table "Federal and Provincial/Territorial Non-Refundable Tax Credit Rates and Amounts for 2024".

Ontario's tax credit rate for donations over $200 is 11.16% although the top tax rate in this province is 13.16%. The rate is increased to 17.41% (11.16% x 156%) for individuals who are subject to the 56% surtax. For trusts, the tax credit rate for donations over $200 is 17.41%.

New Brunswick's tax credit rate for donations over $200 is 17.95% although the top tax rate in this province is 19.5%.

Alberta's tax credit for donations over $200 is 21% although the top tax rate in this province is 15%.

British Columbia's tax credit is 5.06% on the first $200 of eligible gifts and 16.8% for amounts over $200. A 20.5% donation credit can be claimed to the extent the donor's income exceeds $252,752.

Yukon's tax credit rate for donations over $200 is 12.80% although the top tax rate in this territory is 15%.

(7) Generally, the maximum amount of charitable donations that can be claimed in a year is 75% of an individual's net income. However, this restriction may be adjusted or removed depending on the type of property being donated. In Quebec, the maximum amount of donations that may be claimed in a year is 100% of net income.

(8) Donating property may result in a taxable capital gain to the donor. Generally, 50% of capital gains realized before June 25, 2024 are included in taxable income. However, the inclusion rate for capital gains realized on donated property may be adjusted depending on the type of property being donated.

The 2024 federal budget proposed to increase the capital gain inclusion rate to 66.67% (from 50%) on capital gains realized annually above $250,000 by individual taxpayers and on all capital gains realized by corporations and trusts, for gains realized on or after June 25, 2024. Quebec announced that it will also harmonize its rules to increase the capital gains inclusion rate for capital gains realized on or after June 25, 2024.

**Notes, continued**

(9) Certified cultural property is defined as property that the Canadian Cultural Property Export Review Board has determined meets certain criteria set out in the Cultural Property Export and Import Act. Cultural property can include paintings, sculptures, books, or manuscripts. The donation of such property must be made to Canadian institutions or public authorities that have been designated by the Minister of Canadian Heritage. Capital gains arising on the donation of cultural property are not included in income. Capital losses, however, may be deducted within specified limits.

(10) The value of a gift of certified cultural property is deemed to be no greater than the donor's cost of the property if it was acquired under a gifting arrangement that is a tax shelter. Ecological property is generally defined as land, including a covenant, an easement, or in the case of land in Quebec, a real servitude (or certain personal servitudes if certain conditions are met, including that they run for at least 100 years), that is certified to be ecologically sensitive, the conservation and protection of which is considered important to the preservation of Canada's environmental heritage. The donation must be made to Canada, a province or territory, a municipality, municipal or public body performing a function of Canadian government, or a registered charity approved by the Minister of the Environment.

The carry-forward period for donations of ecologically sensitive land to conservation charities is 10 years.

(11) Qualifying securities generally include publicly traded shares, shares/units of mutual funds and certain types of debt obligations. Generally, the capital gains resulting on the donation of such securities and the exchange of unlisted securities that are shares or partnership interests for publicly traded securities that are later donated are not taxable provided certain conditions are met.

(12) Donors can choose the donation value of donated capital property, provided that the chosen amount is not greater than the fair market value of the property and not less than the greater of the property's adjusted cost base and the benefit received as a result of having made the donation. This chosen amount should be used to calculate any taxable capital gain or recapture, as well as the donation credit.

**Notes, continued**

(13) Donations made in both the year of death and under the individual's will can be claimed in the year of death and, if necessary, carried back to the preceding year. The 100% net income limitation applies to both the year of death and the preceding year. In the year of death, an individual can claim the lower of 100% of net income, or the eligible amount of the gifts created in the year of death, plus the unclaimed portion of gifts made in the five years before the year of death. The donation credit may also be claimed on donations of registered retirement savings plans, registered retirement income funds, tax-free savings accounts and life insurance proceeds made by direct beneficiary designations on death.

Estate donations (donations made by will and designation donations) are deemed to be made at the time that the property is transferred to the qualified donee by the individual's estate and where certain conditions are met, by the individual's graduated rate estate. The executor has the flexibility to claim the donation in the year the donation is made, in an earlier year of the estate or the last two years of the individual. The donation must be made in the first 60 months following the individual's death to be eligible for the flexible estate donation rules. An estate continues to be able to claim a donation credit for donations in the year that the donation is made or in any of the five following years.

(14) Corporations receive a deduction in calculating taxable income for donations made in the year or in the previous five years, although unused deductions cannot generally be claimed after an acquisition of control. The net income limits and the capital gain inclusion rates for corporations are generally the same as those applicable to individuals. However, the 2024 federal budget proposed to increase the capital gain inclusion rate to 66.67% (from 50%) on capital gains realized annually above $250,000 by individual taxpayers and on all capital gains realized by corporations, for gains realized on or after June 25, 2024.

For Quebec purposes, the carry-forward period for donations made by corporations is 20 years.

### Quebec – Health Services Fund

| Income Level | Required Contributions |
| --- | --- |
| Up to $17,630 | Nil |
| 17,631 to 61,314 | 1% of income over $17,630, maximum $150 |
| Over 61,314 | $150 + 1% of income over $61,314, maximum $1,000 |

**Notes**

- Individuals who are residents of Quebec on December 31 are required to make payments to the province's Health Services Fund, based on their income calculated for Quebec income tax purposes. Contributions are generally required in respect of self-employment income, pension income, investment income other than dividends from taxable Canadian corporations, and capital gains. Deductions are then made for certain items, including eligible RPP and RRSP contributions, support payments, investment carrying charges and allowable business investment losses.
- The income levels indicated in the table are indexed each year using the same indexation factor as that used to index Quebec's tax brackets (see the table "Federal and Provincial/Territorial Income Tax Rates and Brackets for 2024").

### Ontario – Health Premium

| Taxable Income (TI) | Annual Premium |
|---|---|
| Up to $20,000 | Nil |
| 20,001 to 25,000 | 6% of TI over $20,000 |
| 25,001 to 36,000 | $300 |
| 36,001 to 38,500 | $300 + 6% of TI over $36,000 |
| 38,501 to 48,000 | $450 |
| 48,001 to 48,600 | $450 + 25% of TI over $48,000 |
| 48,601 to 72,000 | $600 |
| 72,001 to 72,600 | $600 + 25% of TI over $72,000 |
| 72,601 to 200,000 | $750 |
| 200,001 to 200,600 | $750 + 25% of TI over $200,000 |
| Over 200,600 | $900 |

### Notes

- Individuals who are residents of Ontario on December 31 are required to pay a provincial Health Premium as part of their Ontario income tax liability, based on their taxable income. Amounts are withheld from employees' pay as part of their regular income tax withholdings. Self-employed and other individuals who make income tax instalments are required to add the premium to their regular instalment payments.

# Employment Withholdings—Federal

**Canada Pension Plan[1]**

| | 2023 | 2024 | | |
|---|---|---|---|---|
| | **Maximum** | **Maximum** | **Additional** | **Total** |
| Maximum annual pensionable earnings | $66,600 | $68,500 | $4,700 | $73,200 |
| Basic exemption | $3,500 | $3,500 | N/A | $3,500 |
| Maximum contributory earnings | $63,100 | $65,000 | $4,700 | $69,700 |
| Employer and employee contribution rate | 5.95% | 5.95% | 4% | N/A |
| Maximum annual employer and employee contributions | $3,754 | $3,868 | $188 | $4,056 |
| Maximum self-employed contribution rate | 11.9% | 11.9% | 8% | N/A |
| Maximum annual self-employed contributions | $7,509 | $7,735 | $376 | $8,111 |

**Employment Insurance**

| | 2023 | 2024 |
|---|---|---|
| Maximum annual insurable earnings | $61,500 | $63,200 |
| Employee's premium rate | 1.63% | 1.66% |
| Maximum annual employee premiums | $1,002 | $1,049 |
| Employer's premium rate | 2.28% | 2.32% |
| Maximum annual employer premiums | $1,403 | $1,469 |

**Note**

(1) Starting in 2024, an additional maximum pensionable earnings amount is introduced with additional CPP contributions of 4% for both employers and employees (8% for the self-employed) on earnings between the yearly maximum pensionable earnings limit ($68,500 for 2024) and the new additional maximum pensionable earnings amount ($73,200 for 2024).

As a result, the maximum employer and employee CPP contribution for 2024 will be $4,056 (i.e., $3,868 plus $188) each, and the maximum self-employed contribution will be $8,111 (i.e., $7,735 plus $376).

# Employment Withholdings—Quebec

### Quebec Pension Plan[1]

| | 2023 | 2024 | | |
|---|---|---|---|---|
| | Maximum | Maximum | Additional | Total |
| Maximum annual pensionable earnings | $66,600 | $68,500 | $4,700 | $73,200 |
| Basic exemption | $3,500 | $3,500 | N/A | $3,500 |
| Maximum contributory earnings | $63,100 | $65,000 | $4,700 | $69,700 |
| Employer and employee contribution rate | 6.4% | 6.4% | 4% | N/A |
| Maximum annual employer and employee contributions | $4,038 | $4,160 | $188 | $4,348 |
| Maximum self-employed contribution rate | 12.8% | 12.8% | 8% | N/A |
| Maximum annual self-employed contributions | $8,077 | $8,320 | $376 | 8,696 |

### Employment Insurance[2]

| | 2023 | 2024 |
|---|---|---|
| Maximum annual insurable earnings | $61,500 | $63,200 |
| Employee’s premium rate | 1.27% | 1.32% |
| Maximum annual employee premiums | $781 | $834 |
| Employer’s premium rate | 1.78% | 1.85% |
| Maximum annual employer premiums | $1,093 | $1,168 |

### Quebec Parental Insurance Plan[2]

| | 2023 | 2024 |
|---|---|---|
| Maximum annual insurable earnings | $91,000 | $94,000 |
| Employee’s contribution rate | 0.494% | 0.494% |
| Maximum annual employee contributions | $450 | $464 |
| Employer’s contribution rate | 0.692% | 0.692% |
| Maximum annual employer contributions | $630 | $650 |
| Self-employed contribution rate | 0.878% | 0.878% |
| Maximum annual self-employed contributions | $799 | $825 |

### Notes

(1) Starting in 2024, an additional maximum pensionable earnings amount is introduced with additional QPP contributions of 4% for both employers and employees (8% for the self-employed) on earnings between the yearly maximum pensionable earnings limit ($68,500 for 2024) and the new additional maximum pensionable earnings amount ($73,200 for 2024). As a result, the maximum employer and employee QPP contribution for 2024 will be $4,348 (i.e., $4,160 plus $188) each, and the maximum self-employed contribution will be $8,696 (i.e., $8,320 plus $376).

(2) Quebec’s Parental Insurance Plan (QPIP) provides benefits to eligible Quebec workers who take maternity, paternity, parental or adoption leave from their employment. The plan replaces maternity, parental and adoption benefits provided under the federal Employment Insurance (EI) program, and premiums are mandatory for all employers, employees and self-employed individuals in the province. Required withholdings under the QPIP are accompanied by reduced EI premiums for residents of Quebec.

# 2024 Personal Income Tax Table

| Taxable Income | B.C. | Alta. | Sask. | Man. | Ont. |
|---:|---:|---:|---:|---:|---:|
| $ 10,000 | $ — | $ — | $ — | $ — | $ — |
| 15,000 | 75 | — | — | — | 84 |
| 20,000 | 541 | 232 | 253 | 546 | 550 |
| 25,000 | 1,468 | 1,067 | 1,431 | 1,738 | 1,476 |
| 30,000 | 2,395 | 2,222 | 2,609 | 2,930 | 2,402 |
| 35,000 | 3,321 | 3,377 | 3,787 | 4,122 | 3,328 |
| 40,000 | 4,248 | 4,532 | 4,965 | 5,313 | 4,255 |
| 45,000 | 5,175 | 5,687 | 6,143 | 6,505 | 5,181 |
| 50,000 | 6,143 | 6,842 | 7,321 | 7,747 | 6,107 |
| 55,000 | 7,201 | 7,996 | 8,547 | 9,035 | 7,158 |
| 60,000 | 8,454 | 9,348 | 10,020 | 10,519 | 8,483 |
| 65,000 | 9,790 | 10,782 | 11,577 | 12,088 | 9,891 |
| 70,000 | 11,138 | 12,235 | 13,152 | 13,674 | 11,310 |
| 75,000 | 12,512 | 13,721 | 14,759 | 15,294 | 12,755 |
| 80,000 | 13,922 | 15,246 | 16,409 | 16,956 | 14,237 |
| 85,000 | 15,332 | 16,771 | 18,059 | 18,619 | 15,720 |
| 90,000 | 16,742 | 18,296 | 19,709 | 20,281 | 17,202 |
| 95,000 | 18,152 | 19,821 | 21,359 | 21,944 | 18,707 |
| 100,000 | 19,654 | 21,346 | 23,009 | 23,606 | 20,281 |
| 150,000 | 38,286 | 38,672 | 41,577 | 44,576 | 40,823 |
| 200,000 | 59,876 | 58,748 | 62,690 | 67,139 | 64,158 |
| 250,000 | 83,020 | 80,112 | 84,684 | 90,584 | 88,841 |
| 300,000 | 109,637 | 103,612 | 108,434 | 115,784 | 115,606 |
| 350,000 | 136,387 | 127,112 | 132,184 | 140,984 | 142,371 |
| 400,000 | 163,137 | 151,045 | 155,934 | 166,184 | 169,136 |
| 450,000 | 189,887 | 175,045 | 179,684 | 191,384 | 195,901 |
| 500,000 | 216,637 | 199,045 | 203,434 | 216,584 | 222,665 |

Refer to notes on the following pages.

| Taxable Income | Que. | N.B. | N.S. | P.E.I. | Nfld. |
|---|---|---|---|---|---|
| $ 10,000 | $ — | $ — | $ — | $ — | $ — |
| 15,000 | — | 96 | 227 | 55 | 283 |
| 20,000 | 262 | 763 | 866 | 733 | 917 |
| 25,000 | 1,504 | 1,890 | 1,965 | 1,871 | 2,012 |
| 30,000 | 2,772 | 3,017 | 3,099 | 3,010 | 3,106 |
| 35,000 | 4,040 | 4,144 | 4,529 | 4,230 | 4,201 |
| 40,000 | 5,308 | 5,271 | 5,959 | 5,565 | 5,296 |
| 45,000 | 6,576 | 6,398 | 7,390 | 6,901 | 6,471 |
| 50,000 | 7,843 | 7,526 | 8,820 | 8,237 | 7,853 |
| 55,000 | 9,178 | 8,861 | 10,250 | 9,572 | 9,235 |
| 60,000 | 10,857 | 10,412 | 11,881 | 11,104 | 10,813 |
| 65,000 | 12,602 | 12,046 | 13,676 | 12,722 | 12,475 |
| 70,000 | 14,369 | 13,696 | 15,484 | 14,501 | 14,150 |
| 75,000 | 16,172 | 15,377 | 17,321 | 16,311 | 15,885 |
| 80,000 | 17,974 | 17,102 | 19,180 | 18,169 | 17,605 |
| 85,000 | 19,777 | 18,827 | 21,038 | 20,026 | 19,355 |
| 90,000 | 21,580 | 20,552 | 22,897 | 21,884 | 21,141 |
| 95,000 | 23,383 | 22,277 | 24,765 | 23,741 | 22,956 |
| 100,000 | 25,189 | 24,002 | 26,665 | 25,599 | 24,771 |
| 150,000 | 47,533 | 44,296 | 47,724 | 46,897 | 44,980 |
| 200,000 | 71,988 | 66,653 | 72,058 | 70,136 | 67,642 |
| 250,000 | 97,181 | 91,147 | 97,302 | 94,255 | 91,950 |
| 300,000 | 123,834 | 117,397 | 124,302 | 120,130 | 118,583 |
| 350,000 | 150,486 | 143,647 | 151,302 | 146,005 | 145,483 |
| 400,000 | 177,139 | 169,897 | 178,302 | 171,880 | 172,383 |
| 450,000 | 203,791 | 196,147 | 205,302 | 197,755 | 199,283 |
| 500,000 | 230,444 | 222,397 | 232,302 | 223,630 | 226,183 |

Refer to notes on the following pages.

| Taxable Income | Y.T. | N.W.T. | Nvt. |
|---|---|---|---|
| $ 10,000 | $ — | $ — | $ — |
| 15,000 | — | — | — |
| 20,000 | 331 | 310 | 232 |
| 25,000 | 1,320 | 1,275 | 1,107 |
| 30,000 | 2,308 | 2,241 | 1,984 |
| 35,000 | 3,297 | 3,206 | 2,862 |
| 40,000 | 4,286 | 4,172 | 3,740 |
| 45,000 | 5,274 | 5,137 | 4,618 |
| 50,000 | 6,263 | 6,103 | 5,495 |
| 55,000 | 7,251 | 7,173 | 6,409 |
| 60,000 | 8,529 | 8,468 | 7,632 |
| 65,000 | 9,925 | 9,846 | 8,936 |
| 70,000 | 11,335 | 11,237 | 10,252 |
| 75,000 | 12,772 | 12,655 | 11,592 |
| 80,000 | 14,247 | 14,110 | 12,967 |
| 85,000 | 15,722 | 15,565 | 14,342 |
| 90,000 | 17,197 | 17,020 | 15,717 |
| 95,000 | 18,672 | 18,475 | 17,092 |
| 100,000 | 20,147 | 19,930 | 18,467 |
| 150,000 | 37,667 | 38,265 | 35,128 |
| 200,000 | 57,509 | 58,869 | 54,140 |
| 250,000 | 78,716 | 80,638 | 74,634 |
| 300,000 | 101,616 | 104,163 | 96,884 |
| 350,000 | 124,516 | 127,688 | 119,134 |
| 400,000 | 147,416 | 151,213 | 141,384 |
| 450,000 | 170,316 | 174,738 | 163,634 |
| 500,000 | 193,216 | 198,263 | 185,884 |

Refer to notes on the following page.

**Notes**

- This table applies to salary income and includes all federal and provincial/territorial income taxes and surtaxes, but does not include low-income tax reductions, deficit reduction levies, and provincial health premiums (see the table "Provincial Health Premiums"). The basic personal credit, federal employment credit, and credits/deductions for Canada/Quebec Pension Plan contributions and Employment Insurance premiums are included in the calculations for all provinces/territories (see the table "Federal and Provincial/Territorial Non-Refundable Tax Credit Rates and Amounts for 2024"). No other credits are included as they vary with the circumstances of the taxpayer.
- For Quebec purposes, the calculations also include the credit for the province's Parental Insurance Plan (see the table "Employment Withholdings—Quebec") and the province's deduction for workers.

# Federal and Provincial/Territorial Alternative Minimum Tax (AMT)

| | | |
|---|---|---|
| Federal AMT rate[1] | 20.5% | |
| Basic minimum tax exemption[1] | $173,205 | |
| Typical additions in computing adjusted taxable income (ATI)[1,2] | • 1/2 or 1/3 of capital gains—effectively, 100% of capital gains are included in income for AMT purposes (1/2 or 2/3 regular inclusion rate plus 1/2 or 1/3 AMT adjustment)<br>• 100% of stock option deductions claimed—effectively 100% of stock option benefits are included for AMT purposes<br>• 30% of capital gains on donations of publicly listed securities<br>• 50% of non-capital loss carryforwards deducted in the current taxation year<br>• 50% of interest and financing expenses incurred to earn income from property (note that additional addbacks may also be required in certain other cases (i.e., rental property, film property, resource property and tax shelters)) | |
| Typical deductions in computing ATI[1] | • Gross-up applied to taxable Canadian eligible dividends (38% for dividends received in 2024)<br>• Gross-up applied to taxable Canadian non-eligible dividends (15% for dividends received in 2024) | |
| Carry forward period[3] | 7 years | |
| Provincial and territorial AMT rates[4] | British Columbia | 33.7% |
| | Alberta | 35.0% |
| | Saskatchewan | 50.0% |
| | Manitoba | 50.0% |
| | Ontario | 33.7% |
| | Quebec[5] | 19.0% |
| | New Brunswick | 57.0% |
| | Nova Scotia | 57.5% |
| | Prince Edward Island | 57.5% |
| | Newfoundland and Labrador | 58.0% |
| | Yukon | 42.7% |
| | Northwest Territories | 45.0% |
| | Nunavut | 45.0% |

Refer to notes on the following page.

**Notes**

(1) Generally, individuals will be subject to Alternative Minimum Tax (AMT) in a particular taxation year if their regular federal tax (net of certain personal credits), calculated in the usual way, is less than their “minimum amount”. The “minimum amount” is calculated as follows:

Minimum amount = [(A – B) x 20.5%] – C

A = ATI

B = Lower bound of the fourth federal income tax bracket ($173,205 in 2024)

C = Certain federal personal tax credits (in whole or in part, depending on the credit)

If the minimum amount is greater than regular federal tax, that amount becomes the individual’s federal tax liability for the year.

The AMT regime was significantly changed effective January 1, 2024. Among other changes, the federal government increased the AMT rate to 20.5% and made the basic AMT exemption equal to the lower bound of the fourth federal income tax bracket. In addition, individuals may only claim 50% of federal non-refundable tax credits (80% of the charitable donations tax credit) when calculating AMT, subject to limited exceptions.

For regular income tax purposes, the 2024 federal budget proposed to increase the inclusion rate for capital gains realized by individuals on or after June 25, 2024 to 2/3 (from 1/2) on the portion of capital gains realized in the year in excess of $250,000.

(2) An individual’s ATI is calculated based on regular taxable income, which is then adjusted for certain tax preference items.

(3) When AMT is applicable, the difference between the “minimum amount” and the individual’s regular federal tax liability may be carried forward seven years and claimed as a credit in any of those years when AMT no longer applies. However, AMT carryforward balances cannot be used to reduce tax on split income.

(4) In general, provincial/territorial AMT (with the exception of Quebec) is calculated by applying the applicable provincial/territorial AMT rate to the amount by which the federal “minimum amount” exceeds regular federal tax. This balance is then added to regular provincial/territorial tax in determining the provincial/territorial tax liability for the year.

(5) The Quebec Minimum Tax (QMT) system generally mirrors the federal system but with certain differences.

Quebec proposed to increase the QMT rate to 19% (from 14%), effective for the 2024 taxation year.

# Combined Top Marginal Tax Rates For Individuals—2024

| | Interest and Regular Income | Capital Gains[1] | Eligible Dividends | Non-eligible Dividends |
|---|---|---|---|---|
| British Columbia | 53.50% | 26.75/35.67% | 36.54% | 48.89% |
| Alberta | 48.00 | 24.00/32.00 | 34.31 | 42.30 |
| Saskatchewan[2] | 47.50 | 23.75/31.67 | 29.64 | 41.34 |
| Manitoba | 50.40 | 25.20/33.60 | 37.79 | 46.67 |
| Ontario | 53.53 | 26.76/35.69 | 39.34 | 47.74 |
| Quebec | 53.31 | 26.65/35.54 | 40.11 | 48.70 |
| New Brunswick | 52.50 | 26.25/35.00 | 32.40 | 46.83 |
| Nova Scotia | 54.00 | 27.00/36.00 | 41.58 | 48.27 |
| Prince Edward Island[3] | 51.75 | 25.88/34.50 | 36.20 | 47.63 |
| Newfoundland and Labrador | 54.80 | 27.40/36.53 | 46.20 | 48.96 |
| Yukon | 48.00 | 24.00/32.00 | 28.92 | 44.05 |
| Northwest Territories | 47.05 | 23.53/31.37 | 28.33 | 36.82 |
| Nunavut | 44.50 | 22.25/29.67 | 33.08 | 37.79 |

**Notes**

(1) The lifetime capital gains exemption limit for qualified farm property, qualified fishing property and qualified small business corporation shares increased to $1,016,836 (from $971,190) for 2024.The 2024 federal budget proposed to increase the lifetime capital gains exemption to $1.25 million (from $1,016,836) and would apply to dispositions that occur on or after June 25, 2024. The increased lifetime capital gains exemption is proposed to be indexed annually for inflation starting in 2026.

The 2024 federal budget proposed to increase the capital gains inclusion rate to 66.67% (from 50%) on capital gains realized annually above $250,000 by individual taxpayers for gains realized on or after June 25, 2024. Quebec announced that it will harmonize its rules to also increase the capital gains inclusion rate to 66.67%.

The 2024 federal budget also proposed to introduce the Canadian Entrepreneur's Incentive that will allow an individual taxpayer to use a 33.33% inclusion rate for the disposition of qualifying shares, subject to a lifetime limit of $2 million in capital gains per individual that will be phased in by increments of $200,000 per year.

(2) Saskatchewan increased the province's DTC rate that applies to non-eligible dividends to 2.52% (from 2.11%) of taxable dividends, effective January 1, 2024. The rate will further increase to 2.94% effective January 1, 2025 and to 3.36% effective January 1, 2026. Accordingly, the combined top marginal tax rate on non-eligible dividends will decrease to 40.86% effective January 1, 2025 and to 40.37% effective January 1, 2026 (assuming no further rate changes).

(3) Prince Edward Island's top marginal personal tax rate on interest and regular income increased to 18.75% (from 16.7%), effective January 1, 2024. The province also eliminated its 10% surtax beginning in 2024. The province's 2024 budget proposed to increase the top marginal personal tax rate on interest and regular income to 19%, effective January 1, 2025.

# Eligible Dividend Tax Credit Rates and Amount of Dividends that may be Received Without Incurring Tax in 2024[1]

| | Dividend Tax Credit Rate[2] | | Amount of Dividend Received Tax Free | |
|---|---|---|---|---|
| | Actual Dividend | Taxable Dividend | Actual Dividend | Taxable Dividend |
| Federal | 20.73% | 15.02% | $55,704 | $76,872 |
| British Columbia | 16.56 | 12.00 | 55,704 | 76,872 |
| Alberta | 11.20 | 8.12 | 55,704 | 76,872 |
| Saskatchewan | 15.18 | 11.00 | 55,704 | 76,872 |
| Manitoba | 11.04 | 8.00 | 39,980 | 55,173 |
| Ontario | 13.80 | 10.00 | 55,704 | 76,872 |
| Quebec | 16.15 | 11.70 | 50,792 | 70,093 |
| New Brunswick | 19.32 | 14.00 | 55,704 | 76,872 |
| Nova Scotia | 12.21 | 8.85 | 32,402 | 44,715 |
| Prince Edward Island | 14.49 | 10.50 | 53,551 | 73,901 |
| Newfoundland and Labrador | 8.69 | 6.30 | 28,417 | 39,215 |
| Yukon | 16.59 | 12.02 | 55,704 | 76,872 |
| Northwest Territories | 15.87 | 11.50 | 55,704 | 76,872 |
| Nunavut | 7.60 | 5.51 | 55,704 | 76,872 |

**Notes**

(1) This table assumes only “eligible dividend” income is earned and takes into account all federal and provincial/territorial taxes, surtaxes, and alternative minimum taxes, but does not include provincial premiums (see the table “Provincial Health Premiums”). The respective basic personal and dividend tax credits and provincial tax reductions, where applicable, are also included.

In general, “eligible dividends” are dividends paid to Canadian residents by public companies, and by Canadian-controlled private corporations (CCPCs) out of income taxed at the federal general corporate tax rate. CCPCs cannot pay eligible dividends from income that is eligible for the federal small business deduction or subject to refundable tax treatment.

The gross-up rate for eligible dividends is 38%. The actual amount received is therefore multiplied by 1.38 to determine the taxable amount of the dividend.

(2) The federal and provincial/territorial dividend tax credit (DTC) rates in the table’s first column apply to the actual amount of the dividend received by an individual. The DTC rate can also be expressed as a percentage of the taxable dividend, as indicated in the table’s second column.

# Non-Eligible Dividend Tax Credit Rates and Amount of Dividends that may be Received Without Incurring Tax in 2024[1]

| | Dividend Tax Credit Rate[2] | | Amount of Dividend Received Tax Free | |
|---|---|---|---|---|
| | Actual Dividend | Taxable Dividend | Actual Dividend | Taxable Dividend |
| Federal | 10.39% | 9.03% | $34,313 | $39,460 |
| British Columbia | 2.25 | 1.96 | 26,765 | 30,780 |
| Alberta | 2.51 | 2.18 | 24,355 | 27,985 |
| Saskatchewan[3] | 2.90 | 2.52 | 21,157 | 24,331 |
| Manitoba | 0.90 | 0.78 | 15,250 | 17,538 |
| Ontario | 3.43 | 2.99 | 34,313 | 39,460 |
| Quebec | 3.93 | 3.42 | 20,777 | 23,893 |
| New Brunswick | 3.16 | 2.75 | 23,856 | 27,434 |
| Nova Scotia | 3.44 | 2.99 | 16,579 | 19,066 |
| Prince Edward Island | 1.50 | 1.30 | 17,214 | 19,796 |
| Newfoundland and Labrador | 3.68 | 3.20 | 22,885 | 26,318 |
| Yukon | 0.77 | 0.67 | 15,253 | 17,541 |
| Northwest Territories | 6.90 | 6.00 | 34,313 | 39,460 |
| Nunavut | 3.00 | 2.61 | 34,313 | 39,460 |

**Notes**

(1) This table assumes only "non-eligible dividend" income is earned and takes into account all federal and provincial/territorial taxes, surtaxes, and alternative minimum taxes, but does not include provincial premiums (see the table "Provincial Health Premiums"). The respective basic personal and dividend tax credits and provincial tax reductions, where applicable, are also included.

"Non-eligible" dividends are those that are not subject to the dividend rules applying to "eligible" dividends (see the table "Eligible Dividend Tax Credit Rates and Amount of Dividends that may be Received Without Incurring Tax in 2024").

The gross-up rate for non-eligible dividends is 15%. The actual amount received is therefore multiplied by 1.15 to determine the taxable amount of the dividend.

(2) The federal and provincial/territorial dividend tax credit (DTC) rates in the table's first column apply to the actual amount of the dividend received by an individual. The DTC rate can also be expressed as a percentage of the taxable dividend, as indicated in the table's second column.

(3) Saskatchewan increased the province's DTC rate that applies to non-eligible dividends received to 2.52% (from 2.11%) of taxable dividends, effective January 1, 2024. The rate will further increase to 2.94% effective January 1, 2025 and 3.36% effective January 1, 2026.

# Automobiles—Deductions and Benefits

| | 2023 | 2024 |
|---|---|---|
| **Deduction limits**[1] | | |
| Maximum cost for capital cost allowance purposes[2] | $36,000 | $37,000 |
| Maximum deductible monthly lease payment[3] | $950 | $1,050 |
| Maximum deductible monthly interest cost on automobile loans[4] | $300 | $350 |
| Maximum deductible allowances paid to employees[5] | | |
| First 5,000 employment-related kilometres | 68¢ | 70¢ |
| Each additional employment-related kilometre | 62¢ | 64¢ |
| **Taxable benefits** | | |
| Standby charge benefit[6] | | |
| Employer-owned automobile | 2% per month of original cost | |
| Employer-leased automobile | 2/3 of monthly lease cost | |
| Operating cost benefit per kilometre of personal use[6] | 33¢ | 33¢ |
| **Allowances**[7] | | |
| | Taxable with certain exceptions | |

**Notes**

(1) When a motor vehicle is purchased or leased for the purpose of earning income, certain expenses may be deducted. The more common types of motor vehicle expenses include fuel, insurance, maintenance and repairs, licence and registration fees, capital cost allowance (CCA), lease payments, and interest. The expenses also include all applicable federal and provincial sales taxes (GST, HST, PST and QST) to the extent the taxpayer is not a sales tax registrant and does not claim an input tax credit (input tax refund in Quebec) for the taxes paid.

**Notes, continued**

(2) The maximum amounts shown in the table are determined before all applicable sales taxes and are based on the automobile's year of purchase.

Each automobile with a cost in excess of the limit is allocated to a separate CCA Class 10.1. The maximum capital cost of each automobile that may be included in Class 10.1 increased to $37,000 (from $36,000) plus all applicable federal and provincial sales taxes for 2024. A Class 10.1 automobile is generally not subject to the normal recapture or terminal loss rules and is eligible for a 15% CCA claim in the year of disposition.

Motor vehicles having a cost equal to or less than the limit are included in Class 10. The normal rules for recapture, terminal loss and CCA apply to these vehicles.

The CCA rate for both classes is 30% declining balance (15% in the year of acquisition).

For motor vehicles acquired after November 20, 2018, the CCA rate in the year of acquisition is increased to 45% (from 15%). The accelerated deduction will be gradually phased out starting in 2024 and will not apply to motor vehicles available for use after 2027.

The temporary enhanced first-year CCA rate of 100% is available for eligible zero-emission vehicles purchased on or after March 19, 2019. CCA Class 54 was created for zero-emission passenger vehicles that would otherwise be included in Class 10 or 10.1. The maximum capital cost of each vehicle that may be included in Class 54 is $61,000 plus all applicable federal and provincial sales taxes for 2023 and 2024. The enhanced CCA rate will be gradually phased out for zero-emission vehicles that become available for use after 2023 and will not apply to zero-emission vehicles that become available for use after 2027.

Canadian-controlled private corporations (CCPCs), sole proprietors and certain partnerships may be able to take immediate expense up to $1.5 million of eligible property per year. Eligible property includes capital property that is subject to the CCA rules, other than property included in CCA Classes 1 to 6, 14.1, 17, 47, 49 and 51.

This immediate expensing measure generally applies to eligible property acquired by a CCPC on or after April 19, 2021, and that becomes available for use before January 1, 2024. The immediate expensing would only be available for the year in which the property becomes available for use. The $1.5 million annual expensing limit must be shared among an associated CCPC group. The rules do not permit any carryforward of excess capacity.

Unincorporated businesses carried on directly by Canadian resident individuals (other than trusts) and certain partnerships are also eligible for the $1.5 million temporary immediate expensing measure for eligible property acquired on or after January 1, 2022 that become available for use before 2025 (in the case of an individual or a partnership all the members of which are individuals) or before 2024 (for other partnerships).

A partnership is eligible where all members would have otherwise benefitted from the measure had they carried on the partnership's business directly, although multi-tiered partnerships are not eligible.

**Notes, continued**

(3) The maximum amounts shown in the table are determined before all applicable sales taxes, and are based on the year the lease was entered into. The maximum deductible monthly lease payment increased to $1,050 (from $950) for 2024.

In general, the maximum deductible monthly lease charge is computed, as the lesser of:

- The actual lease payments paid or incurred in the year (including insurance, maintenance and taxes if they are part of the actual lease payment)
- The prescribed monthly rate, or
- The annual lease limit, which is equal to the monthly pre-tax lease cost multiplied by the ratio of

$$\frac{\text{CCA cost limit}}{85\% \text{ x greater of the prescribed limit and the manufacturer's suggested list price}}$$

(4) The maximum deductible monthly interest cost is based on the automobile's year of purchase.

(5) For the Northwest Territories, Nunavut and Yukon, the tax-exempt allowance is set 4 cents higher (in 2024, 74 cents for the first 5,000 kilometres and 68 cents for each additional kilometre).

(6) When an employee uses an employer-provided automobile for personal use, the employee must generally include a standby charge and operating expense benefit in income.

Generally, the standby charge can be reduced when the automobile is used for business purposes more than 50% of the time and the employee does not exceed 1,667 km per month for personal use. If an employee's use of the automobile is primarily for business purposes, the employee may also elect to calculate their operating expense benefit as an amount equal to 50% of the standby charge, rather than use the per-kilometre prescribed rate (33 cents per kilometre in 2023 and in 2024).

Operating expenses include items such as gasoline and oil, maintenance charges and licences and insurance. Operating expenses do not include items such as interest, lease costs for a leased automobile or parking costs. For taxpayers who are employed principally in selling or leasing automobiles, a reduced rate of 30 cents per kilometre in 2023 and in 2024 applies.

(7) An "allowance" is generally defined as an amount paid for which the employee does not have to account (by providing receipts, vouchers, etc.) to the employer for its actual use. This can be contrasted to a "reimbursement" for which the employee must usually provide the employer with receipts and that the employer repays to the employee on a dollar-for-dollar basis.

# Old Age Security Benefits

| Monthly Payments by Quarter | Old Age Security (OAS)[1] | | Guaranteed Income Supplement (GIS)[2] | | | |
|---|---|---|---|---|---|---|
| | | | Single | | Married | |
| | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 |
| 1st | $687.56 | $713.34 | $1,026.96 | $1,065.47 | $618.15 | $641.35 |
| 2nd | 691.00 | 713.34 | 1,032.10 | 1,065.47 | 621.25 | 641.35 |
| 3rd | 698.60 | 718.33 | 1,043.45 | 1,072.93 | 628.09 | 645.84 |
| 4th | 707.68 | TBA | 1,057.01 | TBA | 636.26 | TBA |

TBA = To be announced

**Notes**

(1) The Old Age Security (OAS) basic pension is a monthly taxable benefit available to individuals age 65 and over who have met certain Canadian residency requirements.

Generally, a minimum residence period of 40 years after age 18 is required in order to be eligible to receive the full pension entitlement. A minimum residence period of 10 years after age 18 is required in order to receive a partial pension entitlement.

Benefits may also be affected by a social security agreement with a previous country of residence. Individuals must apply in order to receive OAS benefits.

Individuals have an option to defer the start of their OAS pension by up to five years past the age of eligibility, and subsequently receive a higher, actuarially adjusted pension.

The monthly OAS pension is increased by 0.6% for every month it is delayed up to a maximum of 36% at age 70.

OAS pensioners aged 75 or over are eligible for a 10% increase to their regular OAS pension. The OAS monthly payment in the third quarter of 2024 will therefore be $790.16 (instead of $718.33) for seniors eligible for the 10% increase.

For 2024, if an individual's net income is greater than $90,997, 15% of the excess over this amount must be repaid. The full OAS pension is eliminated when net income reaches $148,264 for pensioners aged 65 to 74 and $153,991 for pensioners aged 75 or older.

Generally, full or partial OAS pension benefits may be paid indefinitely to non-residents, if the individual lived in Canada for at least 20 years after age 18. Otherwise, payment may be made only for the month of the individual's departure from Canada and for six additional months. The benefit may be reinstated once the individual returns to live in Canada.

**Notes, continued**

(2) The Guaranteed Income Supplement (GIS) is a monthly non-taxable benefit paid to low-income OAS recipients. Eligibility to receive the benefit in 2024 is based on the annual income and marital status of the individual:

- Single, divorced, separated or widowed individuals—net income (excluding OAS and GIS) must be less than $21,768.
- Married individuals where both spouses/partners receive OAS benefits—combined net income (excluding OAS and GIS) must be less than $28,752.

The amounts indicated in the table reflect the maximum monthly benefits. GIS recipients can earn up to $5,000 per year in employment income or self-employment income before triggering a reduction in GIS benefits (“earnings exemption”). There is also a partial earnings exemption of 50%, which applies to the first $10,000 of annual employment and self-employment income earned beyond the $5,000 threshold.

An Allowance is also available to low-income individuals between the ages of 60 and 64 whose spouses/partners are eligible to receive the OAS and the GIS. To be eligible for this non-taxable monthly benefit, you must have lived in Canada for at least 10 years after the age of 18, and family net income in 2024 must be less than $40,272.

Couples who receive GIS and Allowance benefits and are forced to live apart for reasons beyond their control (such as requirement for long-term care) may be eligible to receive higher benefits based on their individual income.

Individuals must apply in order to receive GIS and/or Allowance benefits. Generally, individuals may automatically renew the GIS and Allowance by filing their income tax return.

The GIS and Allowance are not payable to non-residents beyond a period of six months after the month of departure. However, individuals may reapply upon return to Canada.

# Retirement and Savings Plans—Contribution Limits[1]

| | 2022 | 2023 | 2024 |
|---|---|---|---|
| **Money Purchase Registered Pension Plans** | | | |
| Contribution limit[1] | $30,780 | $31,560 | $32,490 |
| Pensionable earnings[2] | 171,000 | 175,333 | 180,500 |
| **Registered Retirement Savings Plans** | | | |
| Contribution limit[3] | 29,210 | 30,780 | 31,560 |
| Previous year's earned income[4] | 162,278 | 171,000 | 175,333 |
| **Deferred Profit Sharing Plans** | | | |
| Contribution limit[5] | 15,390 | 15,780 | 16,245 |
| Pensionable earnings[6] | 85,500 | 87,667 | 90,250 |
| **Tax-Free Savings Account** | | | |
| Annual contribution limit[7] | 6,000 | 6,500 | 7,000 |
| **Tax-Free First Home Savings Account** | | | |
| Annual contribution limit[8] | N/A | 8,000 | 8,000 |
| Lifetime limit[8] | N/A | 40,000 | 40,000 |
| **Registered Education Savings Plans** | | | |
| Annual limit[9] | N/A | N/A | N/A |
| Lifetime limit[10] | 50,000 | 50,000 | 50,000 |
| **Registered Disability Savings Plans** | | | |
| Annual limit[11] | N/A | N/A | N/A |
| Lifetime limit[12] | 200,000 | 200,000 | 200,000 |

**Notes**

(1) The money purchase registered pension plan (RPP) contribution limit indicated in the table is the maximum limit applicable each year.

(2) The total of all employer and employee contributions to an RPP is limited to the lesser of the current year's contribution limit and 18% of the employee's pensionable earnings for the year. The amount of pensionable earnings that generates the contribution limit is indicated in the table.

(3) The registered retirement savings plan (RRSP) contribution limit is equal to the RPP contribution limit for the preceding year.

(4) The total of all contributions to an RRSP is limited to the lesser of the current year's contribution limit and 18% of an individual's earned income for the preceding year, plus any carry-forward contribution room. The amount of earned income that generates the contribution limit is indicated in the table.

(5) The deferred profit sharing plan (DPSP) contribution limit is equal to one-half of the RPP contribution limit for the year.

**Notes, continued**

(6) The total of all employer contributions to a DPSP is limited to the lesser of the current year's contribution limit and 18% of an employee's pensionable earnings for the year. The amount of pensionable earnings that generates the contribution limit each year is indicated in the table.

(7) Canadians age 18 and over can earn tax-free income in a tax-free savings account (TFSA) throughout their lifetime. Income, losses and gains on investment in the account, as well as amounts withdrawn, are not taxable and are not taken into account for determining eligibility for certain income-tested benefits or credits. Each calendar year, a taxpayer can contribute up to the TFSA limit, plus any unused TFSA contribution room from the previous years. The annual contribution limit increased to $10,000 (from $5,500) for 2015, however, it was reduced back to $5,500, effective January 1, 2016. The annual contribution limit is indexed for inflation and rounded to the nearest $500. Generally, amounts withdrawn from a TFSA will be added to the individual's contribution room for future years. TFSA contributions are not tax-deductible.

(8) The tax-free first home savings account (FHSA) allows certain taxpayers to contribute up to $8,000 per year to the account, up to a lifetime maximum of $40,000, effective April 1, 2023. Contributions to an FHSA will be deductible and income earned in the account will not be subject to tax. Generally, qualifying withdrawals from an FHSA made to purchase a first home will be non-taxable. An individual is allowed to make both an FHSA withdrawal and a Home Buyers' Plan withdrawal for the same qualifying home purchase.

(9) Registered education savings plans (RESPs) are commonly used by parents and other guardians to save for a child's post-secondary education. Like TFSAs, contributions to RESPs are not tax-deductible, but investment income can be earned in the plan tax-free. While there is no annual limit, contributions into the plan should be carefully considered in order to maximize government assistance payments under the Canada Education Savings Grant and Canada Learning Bond programs.

(10) For each beneficiary there is a lifetime limit of $50,000, regardless of the number of plans in place for that beneficiary.

(11) A registered disability savings plan (RDSP) is a savings plan to help parents and others save for the long-term financial security of a person who is eligible for the disability tax credit. Like RESPs, contributions to RDSPs are not tax-deductible, but investment income can be earned in the plan tax-free. While there is no annual limit, contributions into the plan should be carefully considered in order to maximize government assistance payments under the Canada Disability Savings Grant and Canada Disability Savings Bond programs.

(12) Contributions on behalf of any one beneficiary are capped at a lifetime maximum of $200,000. Contributions can continue to be made until the end of the year the beneficiary turns 59, or until the beneficiary ceases to be a resident of Canada, dies or ceases to qualify for the disability tax credit.

# Instalment Requirements[1]

### Payment Due Dates

| Tax Owing | Thresholds | Payment Deadline[2] | | | |
|---|---|---|---|---|---|
| Federal | $3,000[3] | Mar.15 | Jun.15 | Sept.15 | Dec.15 |
| Quebec | 1,800[4] | Mar.15 | Jun.15 | Sept.15 | Dec.15 |

### Tax Instalment Choices

| Calculation Options | Amount Of Quarterly Payment |
|---|---|
| Current year estimate | ¼ on each quarterly due date[5,6] |
| Prior year method | ¼ on each quarterly due date[5,6] |
| Second preceding year method | Q1 and Q2 based on second preceding year, and Q3 and Q4 based on prior year[5,6] |
| Tax authority reminder notices | As stipulated in Canada Revenue Agency or Revenu Québec notices[6] |

### Notes

(1) This table applies to all individuals, except farmers and fishers. Specific rules that apply to farmers and fishers are discussed in note (7).

(2) Federal and Quebec instalments for individuals are due on or before each payment due date. In the year of a taxpayer's death, instalments due on or after the date of death do not have to be paid.

Individuals must make federal and Quebec instalment payments of more than $10,000 electronically as of January 1, 2024, unless the payor cannot reasonably remit or pay the amount in that manner.

(3) Individuals resident in a province or territory other than Quebec on December 31 are required to pay quarterly tax instalments during the year if their net tax owing is more than $3,000 in the current year and in either of the two preceding years.

Net tax owing generally includes federal taxes (net of applicable tax credits) that become payable on or before the individual's balance-due day for the year, the Old Age Security clawback tax, the Quebec abatement, provincial taxes excluding Quebec's (net of provincial credits), and investment tax credits. These amounts are reduced by the total taxes withheld at source to arrive at net tax owing. Net tax owing does not take into account losses carried back to previous years, Canada/Quebec Pension Plan (CPP/QPP) or Employment Insurance overpayments, employee and partner GST rebates, Canada Child Benefit payments or GST credits. Self-employed individuals must also include CPP/QPP contributions in their instalment payments.

(4) Individuals resident in Quebec on December 31 generally have to pay quarterly Quebec tax instalments when the difference between Quebec taxes payable and Quebec taxes deducted at source is more than $1,800 for the current year and in either of the two preceding years.

Individuals who have moved into or out of Quebec will be required to use the applicable federal or Quebec instalment threshold and formula for each relevant year to determine whether they are required to make instalment payments.

**Notes, continued**

(5) Quarterly instalment requirements can be calculated by one of three instalment payment options, or by following the reminder notices sent by the tax authorities (see note (6)). The three instalment payment options are:

- Current year estimate—one-quarter of the current year's estimated net tax owing
- Prior year method—one-quarter of the preceding year's net tax owing
- Second preceding year method—For each of the first two instalments, one-quarter of the second preceding year's net tax owing and for the last two instalments, one-half of the difference between the preceding year's net tax owing and the total of the first two instalments made.

(6) Instalment interest will be charged if individuals who are required to pay instalments make late or deficient payments. However, if individuals make instalment payments based on the Canada Revenue Agency (CRA) or Revenu Québec notices, they will not be subject to interest charges or penalties, even if these payments fall short of their total tax liability.

Instalment interest is compounded daily using the applicable prescribed interest rate (see the table "Prescribed Interest Rates") and is determined using the instalment method that calculates the least amount of interest. Individuals can reduce or eliminate interest charges on deficient tax instalments by overpaying other instalments or paying other instalments before their due date. This interest offset can reduce a potential interest liability but cannot be used to earn interest.

For federal purposes, a penalty may also apply to individuals who are required to pay instalment interest in excess of $1,000 (see the table "Selected Federal Penalty and Offence Provisions" for details). For Quebec purposes, an additional interest charge of 10% may apply (see the table "Selected Provincial Penalty Provisions").

In February and August each year, the CRA and Revenu Québec send instalment reminder notices to individuals advising them of their quarterly instalment obligations. The February notice indicates the amounts to pay for the March 15 and June 15 instalments, while the August notice indicates the amounts to pay for the September 15 and December 15 instalments. The instalment amounts reflected in these reminder notices are generally calculated based on the individual's second preceding year payment method (see note (5)).

Individuals may choose to pay instalments based on the CRA's or Revenu Québec's instalment reminder notices, or they may calculate them using one of the other methods discussed in note (5).

Self-employed individuals must also include CPP/QPP contributions in these instalment calculations.

The final balance of federal and provincial tax owing for all individuals is due on or before April 30 of the following year.

**Notes, continued**

(7) For federal purposes, farmers and fishers are required to make one instalment payment by December 31 if their net tax owing is more than $3,000 in the current year and in each of the two preceding years. Farmers and fishers resident in Quebec are required to make one instalment payment by December 31 if their net tax owing is more than $1,800 in the current year and in each of the two preceding years.

Instalment reminder notices reflecting the amount that has to be paid by the December 31 due date are sent each year in November.

Instalment requirements can be calculated by one of two instalment payment options:

- Current year estimate—two-thirds of the current year's estimated net tax owing
- Prior year method—two-thirds of the preceding year's net tax owing.

The final balance of federal and provincial tax owing is due on or before April 30 of the following year.

# Filing and Payment Deadlines and Penalties—Personal Tax Returns

| | Deadlines and Penalties |
|---|---|
| **Filing of Returns**[1] | |
| Federal and Quebec | |
| General | April 30 |
| Self-employed person and their spouse | June 15 |
| **Final Payment of Tax**[2] | |
| Federal and Quebec | |
| General | April 30 |
| Self-employed person and their spouse | April 30 |
| **Late Filing Penalty** | |
| Federal and Quebec | 5% plus 1% per complete month while failure continues (not exceeding 12 months) of unpaid tax |
| Federal—Second occurrence | 10% plus 2% per complete month while failure continues (not exceeding 20 months) of unpaid tax |
| **Notice of Objection** | |
| Federal and Quebec | Later of:<br>(i) one year after filing deadline, or<br>(ii) 90 days after Notice of Assessment |

**Notes**

(1) Federal and Quebec personal income tax returns must be filed on or before April 30 of the following year. Self-employed individuals with professional income or income from an unincorporated business and their spouses/partners have until June 15 of the following year to file their returns.

Where an individual dies, the final personal income tax return must generally be filed on or before the regular filing deadline for the year or six months after the death of the individual, whichever is later.

(2) The final tax balance owing for all individuals, regardless of the filing deadline, must be paid by April 30 of the following year. If the due date falls on a Saturday, Sunday or public holiday, payment must be received by the Canada Revenue Agency (CRA) or be postmarked by the next business day. In the case of a Quebec payment, it must be received by Revenu Quebec or be postmarked by the next business day.

The final tax balance owing on the federal personal income tax return of an individual who has died must be paid by April 30 of the following year, or six months after the death of the individual, whichever is later.

Individuals must make federal and Quebec payments of more than $10,000 electronically as of January 1, 2024, unless the payor cannot reasonably remit or pay the amount in that manner. An individual taxpayer that fails to comply with the electronic payment requirement may be subject to a penalty of $100 for each failure.

# Corporations

2

Corporations

Current as of April 30, 2024

# Federal and Provincial/Territorial Tax Rates for Income Earned by a CCPC—2024 and 2025[1]

| | Small Business Income up to $500,000[2,4] | Active Business Income[3,4] | Investment Income[5] |
|---|---|---|---|
| **Federal rates** | | | |
| General corporate rate | 38.0% | 38.0% | 38.0% |
| Federal abatement | (10.0) | (10.0) | (10.0) |
| | 28.0 | 28.0 | 28.0 |
| Small business deduction[6] | (19.0) | 0.0 | 0.0 |
| Rate reduction[7] | 0.0 | (13.0) | 0.0 |
| Refundable tax[8] | 0.0 | 0.0 | 10.7 |
| | 9.0 | 15.0 | 38.7 |
| **Provincial rates** | | | |
| British Columbia | 2.0% | 12.0% | 12.0% |
| Alberta | 2.0 | 8.0 | 8.0 |
| Saskatchewan[9] | 1.0/2.0 | 12.0 | 12.0 |
| Manitoba | 0.0 | 12.0 | 12.0 |
| Ontario | 3.2 | 11.5 | 11.5 |
| Quebec[10] | 3.2 | 11.5 | 11.5 |
| New Brunswick | 2.5 | 14.0 | 14.0 |
| Nova Scotia | 2.5 | 14.0 | 14.0 |
| Prince Edward Island | 1.0 | 16.0 | 16.0 |
| Newfoundland and Labrador[11] | 2.5 | 15.0 | 15.0 |
| **Territorial rates** | | | |
| Yukon | 0.0 | 12.0 | 12.0 |
| Northwest Territories | 2.0 | 11.5 | 11.5 |
| Nunavut | 3.0 | 12.0 | 12.0 |

Refer to notes on the following pages.

All rates must be prorated for taxation years that straddle the effective date of the rate changes.

# Combined Federal and Provincial/Territorial Tax Rates for Income Earned by a CCPC—2024 and 2025

| | Small Business Income up to $500,000[2,4] | Active Business Income[3,4] | Investment Income[5] |
|---|---|---|---|
| **Provincial rates** | | | |
| British Columbia | 11.0% | 27.0% | 50.7% |
| Alberta | 11.0 | 23.0 | 46.7 |
| Saskatchewan[9] | 10.0/11.0 | 27.0 | 50.7 |
| Manitoba | 9.0 | 27.0 | 50.7 |
| Ontario | 12.2 | 26.5 | 50.2 |
| Quebec[10] | 12.2 | 26.5 | 50.2 |
| New Brunswick | 11.5 | 29.0 | 52.7 |
| Nova Scotia | 11.5 | 29.0 | 52.7 |
| Prince Edward Island | 10.0 | 31.0 | 54.7 |
| Newfoundland and Labrador[11] | 11.5 | 30.0 | 53.7 |
| **Territorial rates** | | | |
| Yukon | 9.0 | 27.0 | 50.7 |
| Northwest Territories | 11.0 | 26.5 | 50.2 |
| Nunavut | 12.0 | 27.0 | 50.7 |

**Notes**

(1) The federal and provincial/territorial tax rates shown in the tables apply to income earned by a Canadian-controlled private corporation (CCPC). In general, a corporation is a CCPC if the corporation is a private corporation and a Canadian corporation, provided it is not controlled by one or more non-resident persons, by a public corporation, by a corporation with a class of shares listed on a designated stock exchange, or by any combination of these, and provided it does not have a class of shares listed on a designated stock exchange.

The federal government introduced rules to eliminate the tax deferral opportunity using a non-CCPC to earn investment income. Specifically, the government introduced "substantive CCPCs" which are private corporations resident in Canada (other than CCPCs) that are ultimately controlled, in law or in fact, by Canadian-resident individuals. These rules to tax investment income earned and distributed by substantive CCPCs in the same manner as CCPCs generally apply to taxation years that end on or after April 7, 2022.

For tax rates applicable to general corporations, see the tables "Federal and Provincial/Territorial Tax Rates for Income Earned by a General Corporation".

**Notes, continued**

(2) The small business income threshold is $600,000 in Saskatchewan. Therefore, Saskatchewan's combined income tax rate on active business income between $500,000 and $600,000 is 16% (i.e., 15% federally and 1% provincially) effective July 1, 2023 to June 30, 2025 and 17% (i.e., 15% federally and 2% provincially) effective July 1, 2025. See the table "Small Business Income Thresholds for 2024 and Beyond" for the federal and provincial/territorial small business income thresholds.

(3) The general corporate tax rate applies to active business income earned in excess of the small business income threshold. See the table "Small Business Income Thresholds for 2024 and Beyond" for the federal and provincial/territorial small business income thresholds.

CCPCs that earn income from manufacturing and processing (M&P) activities are subject to the same rates as those that apply to general corporations (see the tables "Federal and Provincial/Territorial Tax Rates for Income Earned by a General Corporation").

(4) The federal government temporarily reduced the small business tax rate to 4.5% (from 9%) and the general corporate tax rate to 7.5% (from 15%) on eligible zero-emission technology manufacturing profits.

The federal government expanded the eligible activities that qualify for the reduced tax rates for zero-emission technology manufacturers to include certain nuclear manufacturing and processing activities. This expansion of eligible activities for the rate reduction applies for taxation years beginning after 2023. The government also extended the availability of these reduced rates by three years. As a result, the phase-out will start in taxation years that begin in 2032 (instead of 2029), and the rate reduction will fully phase out for taxation years that begin after 2034 (instead of 2031).

(5) The federal and provincial/territorial tax rates shown in the tables apply to investment income earned by a CCPC, other than capital gains and dividends received from Canadian corporations.

The 2024 federal budget proposed to increase the inclusion rate for capital gains realized by corporations on or after June 25, 2024 to 2/3 (from 1/2).

Dividends received from Canadian corporations are generally deductible in computing regular Part I tax, but may be subject to Part IV tax, calculated at a rate of 38 1/3%.

(6) Corporations that are CCPCs throughout the year may claim the small business deduction (SBD). In general, the SBD is calculated based on the least of three amounts — active business income earned in Canada, taxable income and the small business income threshold.

(7) A general tax rate reduction is available on qualifying income. Income that is eligible for other reductions or credits, such as small business income, M&P income and investment income subject to the refundable provisions, is not eligible for this rate reduction.

Income of a corporation earned from a personal services business is not eligible for the general rate reduction and is subject to an additional 5% tax, which increases the federal tax rate on personal services business income to 33%.

**Notes, continued**

(8) The refundable tax of 10 2/3% of a CCPC's investment income and taxable capital gains, as well as 20% of such income that is subject to regular Part I tax, is included in the corporation's non-eligible refundable dividend tax on hand (NERDTOH) account. When non-eligible dividends are paid out to shareholders, a dividend refund equal to the lesser of 38 1/3% of the dividends paid or the combined balance in NERDTOH and eligible refundable dividend tax on hand (ERDTOH) accounts is refunded to the corporation. The dividend refund on non-eligible dividends must come out of the corporation's NERDTOH account before it comes out of the corporation's ERDTOH account.

(9) Saskatchewan will increase the province's small business income tax rate to 2% (from 1%) beginning July 1, 2025 (instead of July 1, 2024).

(10) Quebec's small business deduction is generally available to corporations only if their employees were paid for at least 5,500 hours in the taxation year (proportionally reduced for short taxation years) or if their employees and those of their associated corporations were paid for at least 5,500 hours in the previous taxation year, to a maximum of 40 hours a week per employee (excluding the hours paid to a subcontractor). The small business deduction is reduced linearly between 5,500 and 5,000 hours, and falls to nil at 5,000 hours.

(11) Newfoundland and Labrador decreased the province's small business income tax rate to 2.5% (from 3%) effective January 1, 2024.

# Substantively Enacted[1] Income Tax Rates for Income Earned by a CCPC[2] for 2024 and Beyond—As at June 30, 2024

| | Small Business Income[4] | | Active Business Income[3,4] | |
|---|---|---|---|---|
| | **2024** | **2025 and Beyond** | **2024** | **2025 and Beyond** |
| **Federal rates** | | | | |
| General corporate rate | 38.0% | 38.0% | 38.0% | 38.0% |
| Federal abatement | (10.0)<br>28.0 | (10.0)<br>28.0 | (10.0)<br>28.0 | (10.0)<br>28.0 |
| Small business deduction[6] | (19.0) | (19.0) | 0.0 | 0.0 |
| Rate reduction[7] | 0.0 | 0.0 | (13.0) | (13.0) |
| | 9.0 | 9.0 | 15.0 | 15.0 |
| **Provincial rates** | | | | |
| British Columbia | 2.0% | 2.0% | 12.0% | 12.0% |
| Alberta | 2.0 | 2.0 | 8.0 | 8.0 |
| Saskatchewan[10] | 1.0 | 1.0/2.0 | 12.0 | 12.0 |
| Manitoba | 0.0 | 0.0 | 12.0 | 12.0 |
| Ontario[11] | 3.2 | 3.2 | 11.5 | 11.5 |
| Quebec[12] | 3.2 | 3.2 | 11.5 | 11.5 |
| New Brunswick | 2.5 | 2.5 | 14.0 | 14.0 |
| Nova Scotia | 2.5 | 2.5 | 14.0 | 14.0 |
| Prince Edward Island | 1.0 | 1.0 | 16.0 | 16.0 |
| Newfoundland and Labrador[13] | 2.5 | 2.5 | 15.0 | 15.0 |
| **Territorial rates** | | | | |
| Yukon[14] | 0.0 | 0.0 | 12.0 | 12.0 |
| Northwest Territories | 2.0 | 2.0 | 11.5 | 11.5 |
| Nunavut | 3.0 | 3.0 | 12.0 | 12.0 |

Refer to notes on the following pages.

All rates must be prorated for taxation years that straddle the effective date of the rate changes. The tax rates in this table reflect federal and provincial/territorial income tax rate changes that were substantively enacted as at June 30, 2024.

| | M&P Income[8] | | Investment Income[5] | |
|---|---|---|---|---|
| | 2024 | 2025 and Beyond | 2024 | 2025 and Beyond |
| **Federal rates** | | | | |
| General corporate rate | 38.0% | 38.0% | 38.0% | 38.0% |
| Federal abatement | (10.0)<br>28.0 | (10.0)<br>28.0 | (10.0)<br>28.0 | (10.0)<br>28.0 |
| M&P deduction[8] | (13.0) | (13.0) | 0.0 | 0.0 |
| Refundable Tax[9] | 0.0 | 0.0 | 10.7 | 10.7 |
| | 15.0 | 15.0 | 38.7 | 38.7 |
| **Provincial rates** | | | | |
| British Columbia | 12.0% | 12.0% | 12.0% | 12.0% |
| Alberta | 8.0 | 8.0 | 8.0 | 8.0 |
| Saskatchewan[10] | 10.0 | 10.0 | 12.0 | 12.0 |
| Manitoba | 12.0 | 12.0 | 12.0 | 12.0 |
| Ontario[11] | 10.0 | 10.0 | 11.5 | 11.5 |
| Quebec[12] | 11.5 | 11.5 | 11.5 | 11.5 |
| New Brunswick | 14.0 | 14.0 | 14.0 | 14.0 |
| Nova Scotia | 14.0 | 14.0 | 14.0 | 14.0 |
| Prince Edward Island | 16.0 | 16.0 | 16.0 | 16.0 |
| Newfoundland and Labrador[13] | 15.0 | 15.0 | 15.0 | 15.0 |
| **Territorial rates** | | | | |
| Yukon[14] | 2.5 | 2.5 | 12.0 | 12.0 |
| Northwest Territories | 11.5 | 11.5 | 11.5 | 11.5 |
| Nunavut | 12.0 | 12.0 | 12.0 | 12.0 |

Refer to notes on the following pages.

All rates must be prorated for taxation years that straddle the effective date of the rate changes. The tax rates in this table reflect federal and provincial/territorial income tax rate changes that were substantively enacted as at June 30, 2024.

**Notes**

(1) For Accounting Standards for Private Enterprises (ASPE) and International Financial Reporting Standards (IFRS) purposes, a corporation's recorded income tax liabilities and assets in their financial statements should be measured using tax rates that are considered to be "substantively enacted" at the balance sheet date. In general, where there is a majority government, federal and provincial tax changes are considered to be "substantively enacted" for ASPE and IFRS purposes when a tax bill containing the detailed legislation is tabled for first reading in the House of Commons or the provincial legislature. In the case of a minority government, however, the "substantively enacted" test is more stringent and requires the enabling legislation to have passed third reading in the House of Commons or the provincial legislature.

For U.S. Generally Accepted Accounting Principles (U.S. GAAP) purposes, a corporation's recorded income tax liabilities and assets in their financial statements should be measured using tax rates that are considered to be enacted at the balance sheet date. In general, tax rate changes are considered enacted once the relevant bill has received Royal Assent.

When tax rate changes are considered enacted or "substantively enacted", the effect of the change in tax rate is reflected in the period in which the changes are enacted or "substantively enacted". The effect of the change is recorded in income as a component of deferred tax expense in the period that includes the date of enactment or substantive enactment. For example, if a bill becomes "substantively enacted" for ASPE or IFRS purposes (enacted for U.S. GAAP purposes) on December 31, the tax rate changes should be reflected in the corporation's financial statements for the quarter that includes December 31.

(2) The federal and provincial/territorial tax rates shown in the tables apply to income earned by a Canadian-controlled private corporation (CCPC). In general, a corporation is a CCPC if the corporation is a private corporation and a Canadian corporation, provided it is not controlled by one or more non-resident persons, by a public corporation, by a corporation with a class of shares listed on a designated stock exchange, or by any combination of these, and provided it does not have a class of shares listed on a designated stock exchange.

The federal government introduced rules to eliminate the tax deferral opportunity using a non-CCPC to earn investment income. Specifically, the government introduced "substantive CCPCs" which are private corporations resident in Canada (other than CCPCs) that are ultimately controlled, in law or in fact, by Canadian-resident individuals. These rules to tax investment income earned and distributed by substantive CCPCs in the same manner as CCPCs generally apply to taxation years that end on or after April 7, 2022. These changes are substantively enacted and enacted as at June 30, 2024.

For tax rates applicable to general corporations, see the tables "Substantively Enacted Income Tax Rates for Income Earned by a General Corporation".

(3) The general corporate tax rate applies to active business income earned in excess of the small business income threshold. See the table "Small Business Income Thresholds for 2024 and Beyond" for the federal and provincial/territorial small business income thresholds.

**Notes, continued**

(4) The federal government temporarily reduced the small business tax rate to 4.5% (from 9%) and the general corporate tax rate to 7.5% (from 15%) on eligible zero-emission technology manufacturing profits.

The federal government expanded the eligible activities that qualify for the reduced tax rates for zero-emission technology manufacturers to include certain nuclear manufacturing and processing activities. This expansion of eligible activities for the rate reduction applies for taxation years beginning after 2023. The government also extended the availability of these reduced rates by three years. As a result, the phase-out will start in taxation years that begin in 2032 (instead of 2029), and the rate reduction will fully phase out for taxation years that begin after 2034 (instead of 2031). These changes are substantively enacted and enacted as at June 30, 2024.

(5) The federal and provincial/territorial tax rates shown in this table apply to investment income earned by a CCPC, other than capital gains and dividends received from Canadian corporations.

The 2024 federal budget proposed to increase the inclusion rate for capital gains realized by corporations on or after June 25, 2024 to 2/3 (from 1/2). This change is not substantively enacted or enacted as at June 30, 2024.

Dividends received from Canadian corporations are generally deductible in computing regular Part I tax, but may be subject to Part IV tax, calculated at a rate of 38 1/3%.

(6) Corporations that are CCPCs throughout the year may claim the small business deduction (SBD). In general, the SBD is calculated based on the least of three amounts — active business income earned in Canada, taxable income and the small business income threshold.

(7) A general tax rate reduction is available on qualifying income. Income that is eligible for other reductions or credits, such as small business income, M&P income and investment income subject to the refundable provisions, is not eligible for this rate reduction.

Income of a corporation earned from a personal services business is not eligible for the general rate reduction and is subject to an additional 5% tax, which increases the federal tax rate on personal services business income to 33%.

(8) Corporations that derive at least 10% of their gross revenue for the year from manufacturing or processing goods in Canada for sale or lease can claim the manufacturing and processing (M&P) deduction against their M&P income.

(9) The refundable tax of 10 2/3% of a CCPC's investment income and taxable capital gains, as well as 20% of such income that is subject to regular Part I tax, is included in the corporation's non-eligible refundable dividend tax on hand (NERDTOH) account. When non-eligible dividends are paid out to shareholders, a dividend refund equal to the lesser of 38 1/3% of the dividends paid or the combined balance in NERDTOH and eligible refundable dividend tax on hand (ERDTOH) accounts is refunded to the corporation. The dividend refund on non-eligible dividends must come out of the corporation's NERDTOH account before it comes out of the corporation's ERDTOH account.

**Notes, continued**

(10) Saskatchewan will increase the province's small business income tax rate to 2% (from 1%) beginning July 1, 2025 (instead of July 1, 2024). This change is substantively enacted and enacted as at June 30, 2024.

The small business income threshold is $600,000 in Saskatchewan. Therefore, Saskatchewan's combined income tax rate on active business income between $500,000 and $600,000 is 16% (i.e., 15% federally and 1% provincially) effective July 1, 2023 to June 30, 2025 and 17% (i.e., 15% federally and 2% provincially) effective July 1, 2025.

Saskatchewan provides a manufacturing and processing profits tax reduction that effectively reduces the corporate tax rate on the corporation's Canadian manufacturing and processing profits earned in the province to 10%.

(11) Ontario provides a manufacturing and processing tax credit that effectively reduces the corporate tax rate on the corporation's Canadian manufacturing and processing profits earned in the province to 10%.

(12) Quebec's small business deduction is generally available to corporations only if their employees were paid for at least 5,500 hours in the taxation year (proportionally reduced for short taxation years) or if their employees and those of their associated corporations were paid for at least 5,500 hours in the previous taxation year, to a maximum of 40 hours a week per employee (excluding the hours paid to a subcontractor). The small business deduction is reduced linearly between 5,500 and 5,000 hours, and falls to nil at 5,000 hours.

(13) Newfoundland and Labrador decreased the province's small business income tax rate to 2.5% (from 3%) effective January 1, 2024. This change is substantively enacted and enacted as at June 30, 2024.

(14) Yukon provides a manufacturing and processing profits tax credit that effectively reduces the corporate tax rate on the corporation's Canadian manufacturing and processing profits earned in the territory to 2.5%.

# Small Business Income Thresholds for 2024 and Beyond[1]

| | 2024 and beyond ($000) |
|---|---|
| Federal[2] | $500 |
| British Columbia | 500 |
| Alberta | 500 |
| Saskatchewan | 600 |
| Manitoba | 500 |
| Ontario | 500 |
| Quebec[3] | 500 |
| New Brunswick | 500 |
| Nova Scotia | 500 |
| Prince Edward Island | 500 |
| Newfoundland and Labrador | 500 |
| Yukon | 500 |
| Northwest Territories | 500 |
| Nunavut | 500 |

Refer to notes on the following page.

**Notes**

(1) The small business income thresholds shown in the table apply to active business income earned by a Canadian-controlled private corporation (CCPC) that is eligible for the small business income tax rate (see the tables "Federal and Provincial/Territorial Tax Rates for Income Earned by a CCPC"). All thresholds must be shared by associated corporations.

(2) The federal small business income threshold is reduced on a straight-line basis when the associated corporate group's taxable capital employed in Canada in the preceding taxation year is between $10 million and $50 million and nil if the taxable capital is $50 million or more. This clawback applies to all provinces/territories.

The federal small business income threshold is also reduced on a straight-line basis when the associated corporate group's adjusted aggregate investment income in the preceding taxation year is between $50,000 and $150,000, and nil if the adjusted aggregate investment income is $150,000 or more.

The reduction in a corporation's federal small business income threshold will be the greater of the reductions under the taxable capital threshold and the investment income threshold.

(3) Quebec's small business deduction is available to CCPCs with paid-up capital (on an associated basis) of less than $10 million, and is gradually phased out for CCPCs with paid-up capital between $10 million and $50 million.

Quebec's small business deduction is generally available to corporations only if their employees were paid for at least 5,500 hours in the taxation year (proportionally reduced for short taxation years) or if their employees and those of their associated corporations were paid for at least 5,500 hours in the previous taxation year, to a maximum of 40 hours a week per employee (excluding the hours paid to a subcontractor). The small business deduction is reduced linearly between 5,500 and 5,000 hours, and falls to nil at 5,000 hours.

# Federal and Provincial/Territorial Tax Rates for Income Earned by a General Corporation—2024 and 2025[1]

| | M&P Income | Active Business Income[2] | Investment Income[3] |
|---|---|---|---|
| **Federal rates** | | | |
| General corporate rate | 38.0% | 38.0% | 38.0% |
| Federal abatement | (10.0) | (10.0) | (10.0) |
| | 28.0 | 28.0 | 28.0 |
| M&P deduction[4] | (13.0) | 0.0 | 0.0 |
| Rate reduction[5] | 0.0 | (13.0) | (13.0) |
| | 15.0 | 15.0 | 15.0 |
| **Provincial rates** | | | |
| British Columbia | 12.0% | 12.0% | 12.0% |
| Alberta | 8.0 | 8.0 | 8.0 |
| Saskatchewan[6] | 10.0 | 12.0 | 12.0 |
| Manitoba | 12.0 | 12.0 | 12.0 |
| Ontario[7] | 10.0 | 11.5 | 11.5 |
| Quebec | 11.5 | 11.5 | 11.5 |
| New Brunswick | 14.0 | 14.0 | 14.0 |
| Nova Scotia | 14.0 | 14.0 | 14.0 |
| Prince Edward Island | 16.0 | 16.0 | 16.0 |
| Newfoundland and Labrador | 15.0 | 15.0 | 15.0 |
| **Territorial rates** | | | |
| Yukon[8] | 2.5 | 12.0 | 12.0 |
| Northwest Territories | 11.5 | 11.5 | 11.5 |
| Nunavut | 12.0 | 12.0 | 12.0 |

Refer to notes on the following pages.

All rates must be prorated for taxation years that straddle the effective date of the rate changes.

# Combined Federal and Provincial/Territorial Tax Rates for Income Earned by a General Corporation—2024 and 2025

| | M&P Income | Active Business Income[2] | Investment Income[3] |
|---|---|---|---|
| **Provincial rates** | | | |
| British Columbia | 27.0% | 27.0% | 27.0% |
| Alberta | 23.0 | 23.0 | 23.0 |
| Saskatchewan[6] | 25.0 | 27.0 | 27.0 |
| Manitoba | 27.0 | 27.0 | 27.0 |
| Ontario[7] | 25.0 | 26.5 | 26.5 |
| Quebec | 26.5 | 26.5 | 26.5 |
| New Brunswick | 29.0 | 29.0 | 29.0 |
| Nova Scotia | 29.0 | 29.0 | 29.0 |
| Prince Edward Island | 31.0 | 31.0 | 31.0 |
| Newfoundland and Labrador | 30.0 | 30.0 | 30.0 |
| **Territorial rates** | | | |
| Yukon[8] | 17.5 | 27.0 | 27.0 |
| Northwest Territories | 26.5 | 26.5 | 26.5 |
| Nunavut | 27.0 | 27.0 | 27.0 |

## Notes

(1) The federal and provincial/territorial tax rates shown in the tables apply to income earned by a corporation other than a Canadian-controlled private corporation (CCPC). A general corporation typically includes public companies and their subsidiaries that are resident in Canada, and Canadian-resident private companies that are controlled by non-residents.

The federal government introduced rules to eliminate the tax deferral opportunity using a non-CCPC to earn investment income. Specifically, the government introduced “substantive CCPCs” which are private corporations resident in Canada (other than CCPCs) that are ultimately controlled, in law or in fact, by Canadian-resident individuals. These rules to tax investment income earned and distributed by substantive CCPCs in the same manner as CCPCs generally apply to taxation years that end on or after April 7, 2022.

For tax rates applicable to CCPCs, see the tables “Federal and Provincial/Territorial Tax Rates for Income Earned by a CCPC”.

**Notes, continued**

(2) The federal government temporarily reduced the small business tax rate to 4.5% (from 9%) and the general corporate tax rate to 7.5% (from 15%) on eligible zero-emission technology manufacturing profits.

The federal government expanded the eligible activities that qualify for the reduced tax rates for zero-emission technology manufacturers to include certain nuclear manufacturing and processing activities. This expansion of eligible activities for the rate reduction applies for taxation years beginning after 2023. The government also extended the availability of these reduced rates by three years. As a result, the phase-out will start in taxation years that begin in 2032 (instead of 2029), and the rate reduction will fully phase out for taxation years that begin after 2034 (instead of 2031).

The income tax rate on bank and life insurer groups is 16.5%, subject to a $100 million taxable income exemption to be allocated among the group. A group includes a bank or life insurer and any other financial institution for the purposes of Part VI tax that is related to the bank or life insurer.

(3) The federal and provincial/territorial tax rates shown in the tables apply to investment income earned by a general corporation, other than capital gains and dividends received from Canadian corporations.

The 2024 federal budget proposed to increase the inclusion rate for capital gains realized by corporations on or after June 25, 2024 to 2/3 (from 1/2).

Dividends received from Canadian corporations are generally deductible in computing regular Part I tax, but may be subject to Part IV tax, calculated at a rate of 38 1/3%.

Dividends received by financial institutions on shares that are mark-to-market property are no longer eligible for a deduction, subject to certain exceptions. This denial applies to dividends received after 2023.

(4) Corporations that derive at least 10% of their gross revenue for the year from manufacturing or processing goods in Canada for sale or lease can claim the manufacturing and processing (M&P) deduction against their M&P income.

(5) A general tax rate reduction is available on qualifying income. Income that is eligible for other reductions or credits, such as small business income, M&P income and investment income subject to the refundable provisions, is not eligible for this rate reduction.

Income of a corporation earned from a personal services business is not eligible for the general rate reduction and is subject to an additional 5% tax, which increases the federal tax rate on personal services business income to 33%.

(6) Saskatchewan provides a manufacturing and processing profits tax reduction that effectively reduces the corporate tax rate on the corporation's Canadian manufacturing and processing profits earned in the province to 10%.

(7) Ontario provides a manufacturing and processing tax credit that effectively reduces the corporate tax rate on the corporation's Canadian manufacturing and processing profits earned in the province to 10%.

(8) Yukon provides a manufacturing and processing profits tax credit that effectively reduces the corporate tax rate on the corporation's Canadian manufacturing and processing profits earned in the territory to 2.5%.

# Substantively Enacted[1] Income Tax Rates for Income Earned by a General Corporation[2] for 2024 and Beyond—As at June 30, 2024

| | Active Business Income[3] | |
|---|---|---|
| | 2024 | 2025 and Beyond |
| **Federal rates** | | |
| General corporate rate | 38.0% | 38.0% |
| Federal abatement | (10.0) | (10.0) |
| | 28.0 | 28.0 |
| Rate reduction[5] | (13.0) | (13.0) |
| M&P deduction[6] | 0.0 | 0.0 |
| | 15.0 | 15.0 |
| **Provincial rates** | | |
| British Columbia | 12.0% | 12.0% |
| Alberta | 8.0 | 8.0 |
| Saskatchewan[7] | 12.0 | 12.0 |
| Manitoba | 12.0 | 12.0 |
| Ontario[8] | 11.5 | 11.5 |
| Quebec | 11.5 | 11.5 |
| New Brunswick | 14.0 | 14.0 |
| Nova Scotia | 14.0 | 14.0 |
| Prince Edward Island | 16.0 | 16.0 |
| Newfoundland and Labrador | 15.0 | 15.0 |
| **Territorial rates** | | |
| Yukon[9] | 12.0 | 12.0 |
| Northwest Territories | 11.5 | 11.5 |
| Nunavut | 12.0 | 12.0 |

Refer to notes on the following pages.

All rates must be prorated for taxation years that straddle the effective date of the rate changes. The tax rates in this table reflect federal and provincial/territorial income tax rate changes that were substantively enacted as at June 30, 2024.

| | M&P Income | | Investment Income[4] | |
|---|---|---|---|---|
| | 2024 | 2025 and Beyond | 2024 | 2025 and Beyond |
| **Federal rates** | | | | |
| General corporate rate | 38.0% | 38.0% | 38.0% | 38.0% |
| Federal abatement | (10.0) | (10.0) | (10.0) | (10.0) |
| | 28.0 | 28.0 | 28.0 | 28.0 |
| Rate reduction[5] | 0.0 | 0.0 | (13.0) | (13.0) |
| M&P deduction[6] | (13.0) | (13.0) | 0.0 | 0.0 |
| | 15.0 | 15.0 | 15.0 | 15.0 |
| **Provincial rates** | | | | |
| British Columbia | 12.0% | 12.0% | 12.0% | 12.0% |
| Alberta | 8.0 | 8.0 | 8.0 | 8.0 |
| Saskatchewan[7] | 10.0 | 10.0 | 12.0 | 12.0 |
| Manitoba | 12.0 | 12.0 | 12.0 | 12.0 |
| Ontario[8] | 10.0 | 10.0 | 11.5 | 11.5 |
| Quebec | 11.5 | 11.5 | 11.5 | 11.5 |
| New Brunswick | 14.0 | 14.0 | 14.0 | 14.0 |
| Nova Scotia | 14.0 | 14.0 | 14.0 | 14.0 |
| Prince Edward Island | 16.0 | 16.0 | 16.0 | 16.0 |
| Newfoundland and Labrador | 15.0 | 15.0 | 15.0 | 15.0 |
| **Territorial rates** | | | | |
| Yukon[9] | 2.5 | 2.5 | 12.0 | 12.0 |
| Northwest Territories | 11.5 | 11.5 | 11.5 | 11.5 |
| Nunavut | 12.0 | 12.0 | 12.0 | 12.0 |

Refer to notes on the following pages.

All rates must be prorated for taxation years that straddle the effective date of the rate changes. The tax rates in this table reflect federal and provincial/territorial income tax rate changes that were substantively enacted as at June 30, 2024.

## Notes

(1) For Accounting Standards for Private Enterprises (ASPE) and International Financial Reporting Standards (IFRS) purposes, a corporation's recorded income tax liabilities and assets in their financial statements should be measured using tax rates that are considered to be "substantively enacted" at the balance sheet date. In general, where there is a majority government, federal and provincial tax changes are considered to be "substantively enacted" for ASPE and IFRS purposes when a tax bill containing the detailed legislation is tabled for first reading in the House of Commons or the provincial legislature. In the case of a minority government, however, the "substantively enacted" test is more stringent and requires the enabling legislation to have passed third reading in the House of Commons or the provincial legislature.

For U.S. Generally Accepted Accounting Principles (U.S. GAAP) purposes, a corporation's recorded income tax liabilities and assets in their financial statements should be measured using tax rates that are considered to be enacted at the balance sheet date. In general, tax rate changes are considered enacted once the relevant bill has received Royal Assent.

When tax rate changes are considered enacted or "substantively enacted", the effect of the change in tax rate is reflected in the period in which the changes are enacted or "substantively enacted". The effect of the change is recorded in income as a component of deferred tax expense in the period that includes the date of enactment or substantive enactment. For example, if a bill becomes "substantively enacted" for ASPE or IFRS purposes (enacted for U.S. GAAP purposes) on December 31, the tax rate changes should be reflected in the corporation's financial statements for the quarter that includes December 31.

(2) The federal and provincial/territorial tax rates shown in the tables apply to income earned by a corporation other than a Canadian-controlled private corporation (CCPC). A general corporation typically includes public companies and their subsidiaries that are resident in Canada, and Canadian-resident private companies that are controlled by non-residents.

The federal government introduced rules to eliminate the tax deferral opportunity using a non-CCPC to earn investment income. Specifically, the government introduced "substantive CCPCs" which are private corporations resident in Canada (other than CCPCs) that are ultimately controlled, in law or in fact, by Canadian-resident individuals. These rules to tax investment income earned and distributed by substantive CCPCs in the same manner as CCPCs generally apply to taxation years that end on or after April 7, 2022. These changes are substantively enacted and enacted as at June 30, 2024.

For tax rates applicable to CCPCs, see the tables "Substantively Enacted Income Tax Rates for Income Earned by a CCPC".

**Notes, continued**

(3) The federal government temporarily reduced the small business tax rate to 4.5% (from 9%) and the general corporate tax rate to 7.5% (from 15%) on eligible zero-emission technology manufacturing profits.

The federal government expanded the eligible activities that qualify for the reduced tax rates for zero-emission technology manufacturers to include certain nuclear manufacturing and processing activities. This expansion of eligible activities for the rate reduction applies for taxation years beginning after 2023. The government also extended the availability of these reduced rates by three years. As a result, the phase-out will start in taxation years that begin in 2032 (instead of 2029), and the rate reduction will fully phase out for taxation years that begin after 2034 (instead of 2031). These changes are substantively enacted and enacted as at June 30, 2024.

The income tax rate on bank and life insurer groups is 16.5%, subject to a $100 million taxable income exemption to be allocated among the group. A group includes a bank or life insurer and any other financial institution for the purposes of Part VI tax that is related to the bank or life insurer.

(4) The federal and provincial/territorial tax rates shown in the tables apply to investment income earned by a general corporation, other than capital gains and dividends received from Canadian corporations.

The 2024 federal budget proposed to increase the inclusion rate for capital gains realized by corporations on or after June 25, 2024 to 2/3 (from 1/2). This change is not substantively enacted or enacted as at June 30, 2024.

Dividends received from Canadian corporations are generally deductible in computing regular Part I tax, but may be subject to Part IV tax, calculated at a rate of 38 1/3%.

Dividends received by financial institutions on shares that are mark-to-market property are no longer eligible for a deduction, subject to certain exceptions. This denial applies to dividends received after 2023. This change is substantively enacted and enacted as at June 30, 2024.

(5) A general tax rate reduction is available on qualifying income. Income that is eligible for other reductions or credits, such as small business income, manufacturing and processing (M&P) income and investment income subject to the refundable provisions, is not eligible for this rate reduction.

Income of a corporation earned from a personal services business is not eligible for the general rate reduction and is subject to an additional 5% tax, which increases the federal tax rate on personal services business income to 33%.

(6) Corporations that derive at least 10% of their gross revenue for the year from manufacturing or processing goods in Canada for sale or lease can claim the M&P deduction against their M&P income.

(7) Saskatchewan provides a manufacturing and processing profits tax reduction that effectively reduces the corporate tax rate on the corporation's Canadian manufacturing and processing profits earned in the province to 10%.

(8) Ontario provides a manufacturing and processing tax credit that effectively reduces the corporate tax rate on the corporation's Canadian manufacturing and processing profits earned in the province to 10%.

(9) Yukon provides a manufacturing and processing profits tax credit that effectively reduces the corporate tax rate on the corporation's Canadian manufacturing and processing profits earned in the territory to 2.5%.

# Capital Tax Rates—Financial Institutions[1]

| | Federal Part VI Tax[2] | Sask.[3] | Man.[4] | Ont.[5] |
|---|---|---|---|---|
| **Type of Entity** | | | | |
| Bank | ✓ | ✓ | ✓ | |
| Loan or trust | ✓ | ✓ | ✓ | |
| Life insurance | ✓ | | | ✓ |
| Investment dealer | | ✓ | | |
| **Tax rates** | | | | |
| 2022 | 1.25% | 0.7/4.0% | 6.0% | 1.25% |
| 2023 | 1.25 | 0.7/4.0 | 6.0 | 1.25 |
| 2024 | 1.25 | 0.7/4.0 | 6.0 | 1.25 |
| Capital deduction or exemption | $1 billion | $10 million + $10 million | $4 billion | $10 million + certain adjustments |
| Allocation of capital deduction or exemption among related companies | ✓ | | ✓ | ✓ |

**Notes**

(1) Credit unions may be subject to Federal capital tax if they meet the federal definition of a financial institution. Credit unions are generally not subject to provincial capital tax.

(2) Financial institutions for Part VI tax purposes also include certain holding companies. The amount of Part VI capital tax payable is reduced by the corporation's income tax payable under Part I.

(3) Saskatchewan small financial institutions are subject to a capital tax rate of 0.7%. A small financial institution is a financial institution with taxable capital of $1.5 billion or less among all its associated corporations.

The province provides a standard deduction of $10 million to all corporations. The province provides an additional variable exemption of up to $10 million to companies that pay all or a portion of their salaries and wages to employees of a permanent establishment in the province. The additional exemption is prorated based on the total salaries and wages of the financial institution and all associated corporations.

(4) Manitoba financial institutions are exempt from capital tax if the taxable paid up capital of the financial institution and associated financial institutions is less than $4 billion.

(5) Ontario provides a capital allowance of $10 million, plus an additional amount based on a company's taxable capital. Capital tax may be reduced by the total of a company's Ontario income tax and corporate minimum tax payable for the year.

| | Que.[6] | N.B.[7] | N.S.[8] | P.E.I.[9] | Nfld.[10] |
|---|---|---|---|---|---|
| **Type of Entity** | | | | | |
| Bank | | ✓ | ✓ | ✓ | ✓ |
| Loan or trust | | ✓ | ✓ | ✓ | ✓ |
| Life insurance | ✓ | | | | |
| Investment dealer | | | | | |
| **Tax rates** | | | | | |
| 2022 | 1.25% | 5.0/4.0% | 4.0% | 5.0% | 6.0% |
| 2023 | 1.25 | 5.0/4.0 | 4.0 | 5.0 | 6.0 |
| 2024 | 1.25 | 5.0/4.0 | 4.0 | 5.0 | 6.0 |
| Capital deduction or exemption | $10 million + certain adjustments | $10 million | $5/30 million + IRF | $2 million | $5 million |
| Allocation of capital deduction or exemption among related companies | ✓ | | ✓ | | ✓ |

**Notes, continued**

(6) Quebec provides a capital allowance of $10 million, plus an additional amount based on a company's taxable capital. Capital tax may be reduced by a company's Quebec income tax payable for the year.

Certain Quebec financial institutions must also pay an additional compensation tax (see the table "Quebec Compensation Tax for Financial Institutions").

(7) New Brunswick banks are subject to a capital tax rate of 5%, while trust or loan companies are subject to a capital tax rate of 4%.

(8) Nova Scotia provides a basic capital deduction and a deduction for investment in a related financial institution (IRF). The basic capital deduction is $5 million if the total capital of the financial institution and related financial institutions is $10 million or less, and $30 million for a trust company or a loan company with its registered office in Nova Scotia.

(9) Prince Edward Island provides a standard deduction of $2 million.

(10) Newfoundland and Labrador provides a capital deduction of $5 million if the total capital of the financial institution and related financial institutions is $10 million or less.

# Quebec Compensation Tax for Financial Institutions

| Type of Entity | Calculation of Tax[1] |
|---|---|
| Banks, loan or trust corporations, and corporations trading in securities[2] | 2.80% |
| Insurance corporations subject to Quebec capital tax | 0.30% |
| Credit and savings unions[3] | 2.20% |
| Independent loan corporations, independent trust corporations and independent corporations trading in securities[4] | 0.90% |
| Other financial institutions[4,5] | 0.90% |

**Notes**

(1) For insurance corporations, the percentages noted in the table apply to premiums payable. For all other entities, the percentages apply to Quebec wages.

(2) For banks, loan corporations, trust corporations and corporations trading in securities, the maximum amount of Quebec wages subject to compensation tax is $1.1 billion.

(3) For credit and savings unions, the maximum amount of Quebec wages subject to compensation tax is $550 million.

(4) For independent loan corporations, independent trust corporations, independent corporations trading in securities and other financial institutions, the maximum amount of Quebec wages subject to compensation tax is $275 million.

(5) This category only includes corporations that have jointly elected under section 150 of the Excise Tax Act with the following financial institutions: banks, loan or trust corporations, corporations trading in securities, savings and credit unions, insurance companies, or professional orders (but excludes an insurance company and a professional order that created a professional liability insurance fund under the Professional Code).

# Federal Research and Development (R&D) Tax Incentives

| Federal Investment Tax Credits (ITCs)[1] | | | | |
|---|---|---|---|---|
| Type of Entity | ITC Rate on Total Expenditures up to Expenditure Limit[2] | Refund Rate | ITC Rate on Total Expenditures in Excess of Expenditure Limit[2] | Refund Rate |
| Qualifying CCPCs | 35% | 100% | 15% | 40% |
| Other corporations | 15 | — | 15 | — |
| Individuals and unincorporated businesses | 15 | 40 | 15 | 40 |

**Notes**

(1) Federal research and development (R&D) ITCs can either be applied against federal taxes payable in that taxation year, refunded to the claimant (if applicable), carried forward and claimed in the 20 subsequent taxation years or carried back and applied against federal taxes payable in the three prior taxation years.

ITC claims must be identified on a prescribed form (T2 Schedule 31) and filed with the Canada Revenue Agency (CRA) within 12 months of the entity's filing due date for its income tax return. The related prescribed forms (Forms T661, T661 Part 2 and Schedule 31) must also be filed within this timeframe, to ensure a complete R&D filing.

ITCs claimed in a taxation year are deducted from the entity's R&D expenditure pool in the subsequent taxation year. The current portion of provincial ITCs, which are considered to be government assistance, are deducted from the R&D pool in the taxation year claimed.

(2) The expenditure limit is generally $3 million and applies to current expenditures (capital expenditures are not eligible). The expenditure limit must be shared and allocated among associated corporations. However, CCPCs that are associated due to a group of unconnected investors, such as venture capital investors, do not have to share the limit provided that the CRA is satisfied that the group of investors was not formed to gain access to multiple expenditure limits.

The expenditure limit is phased out for CCPCs with taxable capital employed in Canada of between $10 and $50 million in the prior year (on an associated group basis). The expenditure limit is reduced by $0.75 for every $10 by which taxable capital exceeds $10 million. The ability to claim the 35% ITC rate and related 100% ITC refund on current expenditures is eliminated once prior year taxable capital exceeds $50 million.

### Federal R&D expenditure pool

Eligible Canadian R&D expenditures, which include current expenditures only, are aggregated in a pool each year and may be deducted in whole or in part. Expenditures for R&D capital property (including the right to use such property) are excluded from the federal R&D expenditures pool. These expenditures can still be claimed as regular business expenditures (presuming they qualify as such).

Any allowable amounts not deducted from the R&D pool in the current year may be carried forward indefinitely.

Foreign current expenditures may also be deducted as current R&D expenditures in the year they are incurred. Such expenditures generally do not give rise to federal ITCs. However, R&D labour expenditures incurred outside Canada may result in federal ITCs, as discussed below.

Government assistance (which includes provincial ITCs), non-government assistance and contract payments reduce the amount of eligible expenditures in the year. Eligible expenditures are also reduced when R&D assets, for which the taxpayer received an ITC in any of the 20 previous years, are converted to commercial use or sold during the year. In such instances the related recaptured ITCs will increase eligible expenditures.

Eligible expenditures incurred in the year, as well as project technical narratives and related project information, must be identified on prescribed forms (Forms T661, T661 Part 2 and Schedule 31) and filed with the CRA within 12 months of the entity's filing due date for its income tax return.

### Qualifying current R&D expenditures

Qualifying Canadian current expenditures include the following:

- Salaries and wages of employees directly engaged in R&D—salaries and wages of specified employees (those individuals who directly or indirectly own greater than 10% of the shares of any class of the company, or who do not deal at arm's length with the taxpayer) are limited to five times the year's maximum CPP pensionable earnings and exclude remuneration based on profits or bonuses
- Salaries and wages of Canadian-resident employees carrying on R&D activities outside Canada—these salaries and wages (limited to 10% of the total R&D salary and wages carried on in Canada in the year) are eligible provided the R&D activities are directly undertaken by the taxpayer and done solely in support of R&D carried on by the taxpayer in Canada
- Cost of materials consumed or transformed in R&D
- Eligible expenditures incurred by contractors performing R&D directly on behalf of the taxpayer (restricted for ITC purposes to only 80% of contractor R&D expenditures, excluding contractor R&D capital expenditures)
- Contracts for services that are directly related to SR&ED activities
- Payroll burden (not included if proxy election made)
- Eligible expenditures incurred by certain third parties where the taxpayer may exploit the results of the R&D (restricted for ITC purposes to 80% of expenditures incurred by third parties).

### Proxy election for overhead expenses

The proxy election adds 55% of qualifying R&D salaries and wages (excluding bonuses, taxable benefits and stock option benefits) to the expenditures eligible for federal ITCs (but not to the R&D pool itself). This “notional overhead” amount replaces non-SR&ED service contracts, payroll burden, administration and other overhead costs that are often difficult to support. Other less significant costs that are so replaced include utilities, office and other types of supplies. Once the election is made, it is irrevocable for that taxation year.

The salary of specified employees (as discussed above) is limited in a number of ways when calculating the amount of salaries and wages eligible for the proxy election. Only 75% of such employees’ salaries can be included as eligible salaries, and the maximum per employee is 2.5 times the year’s maximum CPP pensionable earnings. Remuneration based on profits and bonuses are excluded from the proxy computation for both specified and non-specified employees.

# Provincial/Territorial Research and Development (R&D) Tax Incentives

| | Rate | Description |
|---|---|---|
| British Columbia[1] | 10% | Refundable and non-refundable tax credit for eligible expenditures incurred in British Columbia by a corporation with a permanent establishment (PE) in the province |
| Alberta[2] | 8%/20% | Refundable tax credit for eligible expenditures incurred in Alberta by a corporation with a PE in the province |
| Saskatchewan[3] | 10% | Refundable and non-refundable tax credit for eligible expenditures incurred in Saskatchewan by a corporation with a PE in the province |
| Manitoba[4] | 15% | Non-refundable and refundable tax credit for eligible expenditures incurred in Manitoba by a corporation with a PE in the province |
| Ontario Innovation Tax Credit (OITC)[5] | 8% | Refundable tax credit for eligible expenditures incurred in Ontario by a corporation with a PE in the province |
| Ontario Business-Research Institute Tax Credit (OBRITC)[6] | 20% | Refundable tax credit for eligible expenditures incurred in Ontario by a corporation with a PE in the province as part of an eligible contract with an eligible research institute |
| Ontario Research and Development Tax Credit (ORDTC)[7] | 3.5% | Non-refundable tax credit for eligible expenditures incurred in Ontario by a corporation with a PE in the province |
| Quebec tax credit for salaries and wages (R&D)[8,9] | 14%/30% | Refundable tax credit for salaries and wages to carry out R&D in Quebec<br><br>Claimants do not need to have a permanent establishment in Quebec to claim eligible expenditures incurred in Quebec |
| Quebec tax credit for university research or research carried out by a public research centre or a research consortium[8] | 14%/30% | Refundable tax credit for qualified R&D expenditures incurred under a research contract with a university, public research centre or research consortium in Quebec<br><br>Only 80% of the amount of the research contract constitutes a qualified R&D expenditure, if the research is conducted by a university entity, public research centre or research consortium dealing at arm’s length with the taxpayer<br><br>Claimants do not need to have a permanent establishment in Quebec to claim eligible expenditures incurred in Quebec |

Refer to notes on the following pages.

| | Rate | Description |
|---|---|---|
| Quebec tax credit for private partnership pre-competitive research[8] | 14%/30% | Refundable tax credit for qualified R&D expenditures incurred to carry out a private partnership pre-competitive research project in Quebec<br><br>Only 80% of the amount of the research contract constitutes a qualified R&D expenditure, if the R&D work was subcontracted to a person or a partnership dealing at arm's length with the taxpayer |
| Quebec tax credit for fees and dues paid to a research consortium[8] | 14%/30% | Refundable tax credit for eligible fees or dues paid to a qualified research consortium in Quebec of which the taxpayer is a member so R&D activities related to its field may be carried out |
| New Brunswick[10] | 15% | Refundable tax credit for eligible expenditures incurred in New Brunswick by a corporation with a PE in the province |
| Nova Scotia[10] | 15% | Refundable tax credit for eligible expenditures incurred in Nova Scotia by a corporation with a PE in the province |
| Newfoundland and Labrador[10,11] | 15% | Refundable tax credit for eligible expenditures incurred in Newfoundland and Labrador by a corporation with a PE in the province |
| Yukon[10,12] | 15%/20% | Refundable tax credit for eligible expenditures incurred in Yukon by a corporation with a PE in the territory |

**Notes**

(1) Eligible expenditures in British Columbia are those that qualify for federal investment tax credit (ITC) purposes. Canadian-controlled private corporations (CCPCs) are eligible for the refundable credit on expenditures up to their expenditure limit (as it is defined for federal purposes). The credit is not refundable for other corporations or for a CCPC's expenditures in excess of the expenditure limit. Corporations that are active members of a partnership that incurs qualifying expenditures are also entitled to claim their proportionate share of the credit. Expenditures incurred by an individual or trust do not qualify.

The credit is considered to be government assistance and reduces federal expenditures for both the R&D deduction and ITCs. The credit can only be claimed once all other tax credits have been claimed. Unused non-refundable credits may be carried back three taxation years or carried forward ten taxation years. All or part of the non-refundable credit can be renounced each year.

British Columbia's provincial R&D tax credit is available for eligible expenditures incurred before September 1, 2027.

**Notes, continued**

(2) The Innovation Employment Grant is a refundable tax credit. Those small and medium-sized Alberta-based companies who qualify for the grant could receive an amount equal to 8% of their base R&D expenditures (calculated as the company's average qualifying R&D spending over the previous two years), and 20% of spending that is above that base amount. Expenditures must qualify for the federal SR&ED program and relate to R&D carried out in Alberta in order to be eligible for the grant.

Corporations may qualify for the grant on up to $4 million in annual R&D spending. Where the corporation is associated with one or more corporations, this annual limit must be shared among the associated group. The amount of the grant is gradually reduced for corporations or associated corporations with taxable capital between $10 million and $50 million, and is completely eliminated when taxable capital reaches $50 million.

(3) Eligible expenditures in Saskatchewan are determined by reference to the definition of "qualified expenditures" for federal ITC purposes. Qualifying R&D expenditures by Saskatchewan CCPCs are eligible for a 10% refundable R&D tax credit for the first $1 million of annual qualifying expenditures. Qualifying expenditures in excess of the annual limit and qualifying expenditures by other corporations are eligible for the 10% non-refundable R&D tax credit. The total refundable and non-refundable R&D tax credits that may be claimed by a corporation will be limited to $1 million per year.

The credit is considered to be government assistance and reduces federal expenditures for both the R&D deduction and ITCs. Unused non-refundable credits may be carried back three taxation years or carried forward ten taxation years.

(4) Eligible expenditures in Manitoba are those that qualify for federal ITC purposes, with the following differences:

- Capital expenditures are eligible expenditures in Manitoba
- Contract payments to eligible educational institutions in Manitoba are fully claimable (for all other contract payments, 80% of the payment is claimable).

The credit is 100% refundable for R&D performed under contract with a prescribed Manitoba institution, including post-secondary institutions, and 50% refundable otherwise.

Unused non-refundable credits may be carried back three taxation years or carried forward twenty taxation years.

The tax credit (refundable and non-refundable) is considered to be government assistance and reduces federal expenditures for both the R&D deduction and ITCs. All or part of the credit can be renounced each year, however, the renunciation must be made in the year the credit was earned and no later than 12 months after the filing due date of the corporate income tax return. The tax implications for federal purposes are different depending on whether the credit is renounced by the filing due date or after the filing due date. Requests to renounce the Manitoba ITCs after the deadline will be denied.

(5) The OITC is an 8% refundable tax credit for small to medium-sized companies on eligible R&D expenditures. Eligible expenditures in Ontario are those that qualify for federal ITC purposes and are not in excess of the $3 million expenditure limit. The credit is available to corporations with taxable income of less than $500,000 and taxable paid-up capital (for Ontario capital tax purposes) of less than $25 million, in the preceding year. The corporation's expenditure limit will be reduced where this restriction is exceeded by the associated group and will be eliminated once taxable income exceeds $800,000 or paid-up capital exceeds $50 million, in the preceding year.

**Notes, continued**

(6) An eligible research institute contract is an R&D contract with an eligible research institute (i.e., certain post-secondary and hospital research institutions, and prescribed non-profit research organizations). Eligible expenditures, as defined for federal ITC purposes, are limited to $20 million per year.

(7) The ORDTC is a 3.5% non-refundable tax credit. Eligible expenditures in Ontario are those that qualify for federal ITC purposes. Unused credits may be carried forward 20 years and carried back three years.

(8) These Quebec refundable tax credits have a base tax credit rate of 14%. However, a Canadian-controlled corporation may be eligible to claim these credits using a 30% tax credit rate if the corporation has less than $50 million in worldwide assets on an associated corporate group basis in the preceding year. This higher tax credit rate is reduced on a straight-line basis to 14% when a Canadian-controlled corporation has between $50 million and $75 million in assets on an associated corporate group basis in the preceding year. The higher tax credit rate applies only to the first $3 million of eligible expenditures. This limit must be shared by an associated corporate group.

These tax credits are taxable for Quebec income tax purposes. They are considered government assistance for federal income tax purposes and reduce federal expenditures for both the R&D deduction and ITCs.

(9) For purposes of the Quebec tax credit for salaries and wages (R&D), a claimant must reduce its eligible expenditures by the exclusion threshold amount.

The exclusion threshold amount varies depending on the claimant's assets, and is calculated on a non-consolidated and non-associated basis:

- $50,000 for claimants with assets of $50 million or less
- An amount that increases linearly between $50,000 and $225,000 for claimants with assets between $50 million and $75 million
- $225,000 for claimants with assets of $75 million or more.

(10) In New Brunswick, Nova Scotia, Newfoundland and Labrador, and Yukon, eligible expenditures are those that are considered qualified expenditures for federal purposes. The credit is considered to be government assistance and reduces federal expenditures for both the R&D deduction and ITCs.

(11) Newfoundland and Labrador does not reduce qualified expenditures that are eligible for provincial tax credits by amounts that are considered assistance payments.

(12) The Yukon R&D tax credit is refundable at a rate of 15% of eligible expenditures. An additional tax credit of 5% is available on amounts paid or payable to the Yukon College. The Yukon credit cannot be carried back or forward.

(13) There are no provincial/territorial R&D tax incentives in Prince Edward Island, Northwest Territories and Nunavut.

# Net After-Tax Cost of Performing Research and Development (R&D)

| CCPCs[1] | B.C. | Alta.[2] | Sask. | Man. | Ont.[3] |
|---|---|---|---|---|---|
| R&D expenditures | $1,000 | $1,000 | $1,000 | $1,000 | $1,000 |
| Provincial/territorial ITC | (141) | (113) | (141) | (212) | (158) |
| Federal ITC @ 35% | (445) | (455) | (445) | (420) | (439) |
| Federal tax deduction | 414 | 432 | 414 | 368 | 403 |
| Federal taxes saved | $37 | $39 | $37 | $33 | $36 |
| Provincial/territorial taxes saved | $8 | $9 | $4 | $0 | $13 |
| **Total tax savings** | | | | | |
| Federal tax savings | $482 | $494 | $482 | $453 | $475 |
| Provincial/territorial tax savings | 149 | 122 | 145 | 212 | 171 |
| Total savings | $631 | $616 | $627 | $665 | $646 |
| **Net after-tax cost of R&D** | $369 | $384 | $373 | $335 | $354 |

Refer to notes on the following pages.

| **CCPCs[1]** | **Que.[4]** | **N.B.** | **N.S.** | **P.E.I.** | **Nfld.** |
|---|---|---|---|---|---|
| R&D expenditures | $1,000 | $1,000 | $1,000 | $1,000 | $1,000 |
| Provincial/territorial ITC | (225) | (212) | (212) | 0 | (212) |
| Federal ITC @ 35% | (416) | (420) | (420) | (494) | (420) |
| Federal tax deduction | 359 | 368 | 368 | 506 | 368 |
| Federal taxes saved | $32 | $33 | $33 | $46 | $33 |
| Provincial/territorial taxes saved | $11 | $9 | $9 | $5 | $9 |
| **Total tax savings** | | | | | |
| Federal tax savings | $448 | $453 | $453 | $540 | $453 |
| Provincial/territorial tax savings | 236 | 221 | 221 | 5 | 221 |
| Total savings | $684 | $674 | $674 | $545 | $674 |
| **Net after-tax cost of R&D** | $316 | $326 | $326 | $455 | $326 |

Refer to notes on the following pages.

| CCPCs[1] | Y.T.[5] | N.W.T. | Nvt. |
|---|---|---|---|
| R&D expenditures | $1,000 | $1,000 | $1,000 |
| Provincial/territorial ITC | (212) | 0 | 0 |
| Federal ITC @ 35% | (420) | (494) | (494) |
| Federal tax deduction | 368 | 506 | 506 |
| Federal taxes saved | $33 | $46 | $46 |
| Provincial/territorial taxes saved | $0 | $10 | $15 |
| **Total tax savings** | | | |
| Federal tax savings | $453 | $540 | $540 |
| Provincial/territorial tax savings | 212 | 10 | 15 |
| Total savings | $665 | $550 | $555 |
| **Net after-tax cost of R&D** | $335 | $450 | $445 |

**Notes**

(1) This table calculates the net after-tax cost to a Canadian-controlled private corporation (CCPC) of performing research and development (R&D) in the various provinces/territories. The calculations are based on the following assumptions:

- The CCPC's federal and provincial/territorial tax rates are those that apply to active business income eligible for the small business deduction. The provincial/territorial tax rates used in the calculations are those in effect on January 1, 2024 (see the tables "Federal and Provincial/Territorial Tax Rates for Income Earned by a CCPC"). If the province's/territory's tax rate changes during the year, the calculations will need to be updated.
- The CCPC's R&D expenditures are eligible for the 35% federal investment tax credit (ITC).
- Three quarters of the expenditures relate to R&D salaries and the proxy election has been made by the corporation. The other quarter of the expenditures relate to materials. The calculations in the table assume incremental R&D expenditures have been incurred by the corporation.
- The corporation is able to fully claim federal and provincial/territorial investment tax credits in the year.
- The effects of all ITCs have been shown in the current year's deduction, even though federal ITCs are actually deducted from the R&D pool in the subsequent year.

(2) The calculation assumes a tax credit rate of 8% of base R&D expenditures (calculated as an Alberta company's average qualifying R&D spending over the previous two years). The enhanced tax credit rate is 20% of spending that is above the base amount.

(3) If the other quarter of the CCPC's R&D expenditures in this example qualifies for the Ontario Business Research Institute Tax Credit (i.e., they are third-party R&D contract payments with an eligible research institute), the net after-tax cost would be $328.

(4) The exclusion threshold amount that reduces the expenditures that qualify for the Quebec tax credit is not included in the calculations.

(5) The calculation assumes a tax credit rate of 15% of eligible expenditures. An additional tax credit of 5% is available on amounts paid or payable to the Yukon College.

# Net After-Tax Cost of Performing Research and Development (R&D)

| General Corporations[6] | B.C. | Alta. | Sask. | Man. | Ont.[7] |
|---|---|---|---|---|---|
| R&D expenditures | $1,000 | $1,000 | $1,000 | $1,000 | $1,000 |
| Provincial/territorial ITC | (141) | 0 | (141) | (212) | (49) |
| Federal ITC @ 15% | (191) | (212) | (191) | (180) | (205) |
| Federal tax deduction | 668 | 788 | 668 | 608 | 746 |
| Federal taxes saved | $100 | $118 | $100 | $91 | $112 |
| Provincial/territorial taxes saved | $80 | $63 | $80 | $73 | $86 |
| **Total tax savings** | | | | | |
| Federal tax savings | $291 | $330 | $291 | $271 | $317 |
| Provincial/territorial tax savings | 221 | 63 | 221 | 285 | 135 |
| Total savings | $512 | $393 | $512 | $556 | $452 |
| **Net after-tax cost of R&D** | $488 | $607 | $488 | $444 | $548 |

Refer to notes on the following pages.

| General Corporations[6] | Que.[4] | N.B. | N.S. | P.E.I. | Nfld. |
|---|---|---|---|---|---|
| R&D expenditures | $1,000 | $1,000 | $1,000 | $1,000 | $1,000 |
| Provincial/territorial ITC | (105) | (212) | (212) | 0 | (212) |
| Federal ITC @ 15% | (196) | (180) | (180) | (212) | (180) |
| Federal tax deduction | 699 | 608 | 608 | 788 | 608 |
| Federal taxes saved | $105 | $91 | $91 | $118 | $91 |
| Provincial/territorial taxes saved | $80 | $85 | $85 | $126 | $91 |
| **Total tax savings** | | | | | |
| Federal tax savings | $301 | $271 | $271 | $330 | $271 |
| Provincial/territorial tax savings | 185 | 297 | 297 | 126 | 303 |
| Total savings | $486 | $568 | $568 | $456 | $574 |
| **Net after-tax cost of R&D** | $514 | $432 | $432 | $544 | $426 |

Refer to notes on the following pages.

| General Corporations[6] | Y.T.[5] | N.W.T. | Nvt. |
|---|---|---|---|
| R&D expenditures | $1,000 | $1,000 | $1,000 |
| Provincial/territorial ITC | (212) | 0 | 0 |
| Federal ITC @ 15% | (180) | (212) | (212) |
| Federal tax deduction | 608 | 788 | 788 |
| Federal taxes saved | $91 | $118 | $118 |
| Provincial/territorial taxes saved | $73 | $91 | $95 |
| **Total tax savings** | | | |
| Federal tax savings | $271 | $330 | $330 |
| Provincial/territorial tax savings | 285 | 91 | 95 |
| Total savings | $556 | $421 | $425 |
| **Net after-tax cost of R&D** | $444 | $579 | $575 |

**Notes, continued**

(6) This table calculates the net after-tax cost to a general corporation of performing R&D in the various provinces/territories. The calculations are based on the following assumptions:

- The federal and provincial/territorial tax rates are those that apply to active business income earned by a general corporation. The provincial/territorial tax rates used in the calculations are those in effect on January 1, 2024 (see the table "Federal and Provincial/Territorial Tax Rates for Income Earned by a General Corporation"). If the province's/territory's tax rate changes during the year, the calculations will need to be updated.
- The corporation, including all associated companies, has assets and taxable paid-up capital in excess of $75 million and $50 million respectively in the prior year.
- The corporation's R&D expenditures are eligible for the 15% federal investment tax credit (ITC).
- Three quarters of the expenditures relate to R&D salaries and the proxy election has been made by the corporation. The other quarter of the expenditures relate to materials. The calculations in the table assume that incremental R&D expenditures have been incurred by the corporation, and all eligible expenditures have been fully deducted in the current taxation year.
- The corporation is able to fully claim federal and provincial/territorial investment tax credits in the year.
- The effects of all ITCs have been shown in the current year's deduction, even though federal ITCs are actually deducted from the R&D pool in the subsequent year.

(7) If the other quarter of the corporation's R&D expenditures in this example qualifies for the Ontario Business Research Institute Tax Credit (i.e., they are third-party R&D contract payments with an eligible research institute), the net after-tax cost would be $518.

# Federal Income Tax Instalments

### Payment Due Dates

| Type of Corporation | Thresholds[1] | Payment Due Dates[2] |
|---|---|---|
| General corporations | $3,000 | Monthly |
| CCPCs<br>Eligible[3]<br>Other | <br>3,000<br>3,000 | <br>Quarterly<br>Monthly |

### Tax Instalment Choices

| Tax Instalment Choices | General Monthly Payments | Eligible CCPC Quarterly Payments |
|---|---|---|
| Current year estimate | 1/12 on monthly due date[4,6] | ¼ on quarterly due date[5,6] |
| Preceding year method | 1/12 on monthly due date[4,6] | ¼ on quarterly due date[5,6] |
| Second preceding year method | First 2 months based on second preceding year, and remaining 10 months based on prior year[4,6] | First payment based on second preceding year, and remaining three payments based on prior year[5,6] |

### Notes

(1) Corporations are required to pay monthly tax instalments during the year if their total taxes payable, under Parts I (Income Tax), VI (Tax on Capital of Financial Institutions), VI.1 (Tax on Corporations Paying Dividends on Taxable Preferred Shares) and XIII.1 (Additional Tax on Authorized Foreign Banks), prior to the deduction of current year refundable tax credits, for the current or preceding taxation year are more than $3,000. However, eligible Canadian-controlled private corporations (CCPCs) may pay quarterly tax instalments if certain criteria are met (see note (3)).

A new corporation is not required to make instalment payments in its first taxation year.

Special rules apply to the calculation of instalments under Part XII.1 (Tax on Carved-out Income) and Part XII.3 (Tax on Investment Income of Life Insurers).

**Notes, continued**

(2) If the taxation year-end is the last day of the month, instalment payments are due on or before the last day of each month or each quarter. Otherwise, the first instalment is due one month/quarter less a day from the first day of the corporation's taxation year and subsequent instalments are due on the same day of each of the following months/quarters.

For example, if a corporation had a year ending October 9, 2023, its instalments for its 2024 taxation year are due on the ninth day of each month (e.g., November 9, December 9, etc.). If the corporation is an eligible CCPC (see note (3)), the payments are due on the ninth day of each quarter (i.e., January 9, April 9, July 9 and October 9).

If the payment due date falls on a Saturday, Sunday or public holiday, the payment is due by the next business day. Corporations are not required to segregate or identify the type of tax that is being paid (i.e., Parts I, VI, VI.1 or XIII.1 tax) as all payments are included in one corporate account.

A final tax payment based on the estimated balance of the tax liability for the year is due within two months after the end of the taxation year (called the balance due day). Certain CCPCs have three months in which to make their final tax payment (see the table "Filing and Payment Deadlines").

All federal tax instalments and final tax payments must be received by the Receiver General or processed by a Canadian financial institution on or before the due date. Payments are not considered received on the postmark date of first-class mail.

Payments may be made electronically (see canada.ca/guide-taxes-payments). Late and deficient instalments are charged interest at the prescribed rate (see the table "Prescribed Interest Rates"). Federal payments of more than $10,000 must be made electronically as of January 1, 2024, unless the payor cannot remit or pay the amount in that manner.

Corporations are responsible for determining the amount of instalments needed. The Canada Revenue Agency does not calculate instalment payments for corporations until their tax return has been assessed.

(3) Eligible CCPCs may pay quarterly tax instalments if the corporation has met all of the following conditions:

- Taxable income (together with associated corporations) for either the current or previous year does not exceed $500,000
- A small business deduction claim was made in either the current or previous year
- Taxable capital employed in Canada (together with associated corporations) does not exceed $10 million in either the current or previous year, and
- Generally no compliance irregularities exist under the *Income Tax Act, Employment Insurance Act, Canada Pension Plan* and the GST/HST section of the *Excise Tax Act* during the preceding 12 months.

**Notes, continued**

(4) Corporations, other than eligible CCPCs, must calculate and pay monthly instalments for Parts I, VI, VI.1 and XIII.1 tax using one of the following three methods:

- Current year estimate—1/12 of the estimated tax liability for the current year
- Preceding year method—1/12 of the preceding year's tax liability (first instalment base), or
- Second preceding year method—1/12 of the second preceding year's tax liability (second instalment base) for the first two months, and for the remaining 10 months, 1/10 of the difference between the first instalment base and the total of the first two payments.

For all three methods, a corporation must also include the tax liability associated with each applicable province and/or territory, other than Alberta and Quebec (see the table "Provincial and Territorial Income Tax Instalments"). When calculating instalment payments the federal payments must also include Ontario corporate income and minimum taxes.

A special adjustment to the tax instalment base is required where at least one of the two preceding taxation years is a short fiscal year.

(5) Eligible CCPCs (discussed in note (3)) will calculate their quarterly instalments for Parts I and VI.1 tax using one of the following three methods:

- Current year estimate—1/4 of the estimated tax liability for the current year
- Preceding year method—1/4 of the preceding year's tax liability (first instalment base), or
- Second preceding year method—1/4 of the second preceding year's tax liability (second instalment base) for the first instalment, and for the remaining three payments, 1/3 of the difference between the first instalment base and the first payment.

See the comments in note (4) for the payment of provincial and/or territorial taxes.

A special adjustment to the tax instalment base is required where at least one of the two preceding taxation years is a short fiscal year.

(6) Corporations may redirect tax instalments that have already been made to a different taxation year. It may also be possible to transfer amounts to another account of the corporation or to an account of a related corporation. However, a payment cannot be transferred after the taxation year has been assessed. Transferred payments will keep their original payment date for purposes of calculating interest charges.

# Provincial and Territorial Income Tax Instalments[1]

| | Alberta | | Quebec | |
|---|---|---|---|---|
| Type of Corporation | Threshold[2] | Payment Due Dates | Threshold[2] | Payment Due Dates |
| General corporation | 2,000 | Monthly[3] | 3,000 | Monthly[3] |
| CCPC | | | | |
| Eligible[5,6] | 2,000 | Exempt | 3,000 | Quarterly[4] |
| Other | 2,000 | Monthly[3] | 3,000 | Monthly[3] |

**Notes**

(1) Alberta and Quebec are the only provinces that collect their own corporate income taxes. Corporate taxpayers in the remaining provinces and territories remit their income tax payments to the Canada Revenue Agency as one payment. Tax instalments for the provinces and territories that do not collect their own corporate income taxes are calculated using the same basis as that used for federal purposes (see the table “Federal Income Tax Instalments”). A new corporation is not required to make instalment payments in its first taxation year.

(2) A corporation is not required to make instalment payments if its tax liability for the current year or immediately preceding year is not greater than the threshold noted.

(3) Monthly instalments must be calculated using one of the following three methods:

- Current year estimate—1/12 of the estimated tax liability for the current year
- Prior year method—1/12 of the preceding year’s tax liability (first instalment base), or
- Second preceding year method—1/12 of the second preceding year’s tax liability (second instalment base) for the first two months, and for the remaining 10 months, 1/10 of the difference between the first instalment base and the total of the first two payments.

(4) Quarterly instalments must be calculated using one of the following three methods:

- Current year estimate—1/4 of the estimated tax liability for the current year
- Prior year method—1/4 of the preceding year’s tax liability (first instalment base), or
- Second preceding year method—1/4 of the second preceding year’s tax liability (second instalment base) for the first instalment, and for the remaining three payments, 1/3 of the difference between the first instalment base and the first payment.

(5) Eligible CCPCs in Alberta may be exempt from paying instalments throughout the year if the corporation meets one of the following conditions:

- Taxable income for the current year does not exceed $500,000 and the Alberta small business deduction is claimed in the current year, or
- Taxable income for the previous year did not exceed $500,000 and the Alberta small business deduction was claimed in the previous year.

(6) Eligible CCPCs in Quebec may pay quarterly instalments if the corporation meets all of the following conditions:

- Taxable income (together with associated corporations) for either the current year or previous year does not exceed $500,000
- The corporation has income from a business it actively carried on during the current year or had such income in the previous year
- Paid-up capital (together with associated corporations) does not exceed $10 million in either the current or previous year, and
- All tax obligations in the last 12 months have been met.

# Filing and Payment Deadlines

| | Filing Deadline | Payment Deadline |
|---|---|---|
| Federal Corporate income tax returns[1] | Returns are due within six months after year-end | The balance of taxes payable is due within two months after year-end<br>For certain CCPCs, the deadline is extended to three months[2] |
| Alberta Corporate income tax returns | Returns are due (and must be received) within six months after year-end | The balance of taxes payable is due within two months after year-end<br>For certain CCPCs, the deadline is extended to three months[3] |
| Quebec Corporate income tax returns | Returns are due within six months after year-end | The balance of taxes payable is due within two months after year-end<br>The same applies to the balance of the compensation tax[4] |
| Other provincial Capital tax returns[5] | Returns are due within six months after year-end | The balance of taxes payable is due within six months after year-end |
| Federal Notice of Objection[6] | Form T400A or equivalent letter must be filed within 90 days from the date of mailing of the Notice of Assessment or Reassessment | Large corporations must remit one-half of the disputed amount within 90 days of the date of mailing of the Notice of Assessment or Reassessment |
| Provincial Notice of Objection[7] | Prescribed form or equivalent letter must be filed within 90 days from the date of mailing of the Notice of Assessment or Reassessment | Some provinces require prepayment of the amount in dispute even if a Notice of Objection is filed |

**Notes**

(1) The corporate income tax returns for all provinces and territories (with the exception of Alberta and Quebec) follow the federal filing and payment deadlines.

(2) For federal purposes, in order to qualify for the extension, the corporation must be a Canadian-controlled private corporation (CCPC) throughout the year, must have taxable income not exceeding the small business income threshold (see the table “Small Business Income Thresholds for 2024 and Beyond”) on an associated group basis in the preceding year, and must claim the small business deduction in the current or the preceding year.

(3) For Alberta purposes, in order to qualify for the extension, the corporation must be a CCPC throughout the year and, in either the current or the preceding year, must have claimed the Alberta small business deduction and had taxable income of not more than $500,000. The extension is also available for CCPCs with a tax liability of $2,000 or less in either the current or the preceding year.

**Notes, continued**

(4) Listed financial institution corporations must complete Form CO-1159.2—*Calcul de la taxe compensatoire des institutions financières* and file it with their corporate income tax returns.

(5) This applies to Saskatchewan, Manitoba, New Brunswick and Prince Edward Island. Ontario's special additional tax on life insurance corporations, Newfoundland and Labrador's capital tax on financial institutions and Nova Scotia's financial institutions capital tax are included in the federal income tax return. Quebec's capital tax on insurance and life insurance corporations is included in the Quebec income tax return.

(6) Corporations can file an objection by using Form T400A—*Notice of Objection – Income Tax Act,* a signed letter, or the "Register my formal dispute" option on the Canada Revenue Agency website. The objection should clearly explain what is being objected to and set out the facts and reasons for the objection. An objection filed by a large corporation must also reasonably describe each issue to be decided, specify the relief sought, detail the amount of the change in any balance, and provide facts and reasons relied on for each issue. A corporation is treated as a large corporation if the total taxable capital employed in Canada at the end of the taxation year by it and its related corporations exceeds $10 million.

(7) Some provinces require the use of a prescribed form, while others will accept a written statement detailing all pertinent facts and reasons. Most provinces follow the federal rules in respect of large corporations.

Notices of Objection for Alberta must be received by the Alberta Tax and Revenue Administration within 90 days. In Alberta, "large corporations" (as defined for federal purposes) must file Form AT97—*Notice of Objection*, for all objections (including federal-parallel objections). Large corporations must reasonably describe each issue to be decided, specify the relief sought, detail the amount of the change in any balance and provide facts and reasons relied on for each issue. Where the federal and Alberta objections are for the same issue, corporations that are not considered "large corporations" may instead file a copy of only the federal objection with the Alberta Tax and Revenue Administration provided that it includes all information required on Form AT97. Supporting documents should be provided in all cases.

In Quebec, Form MR-93.1.1-V—*Notice of Objection* must be filed for all objections (including federal-parallel objections). Form MR-93.1.1-V must state the reasons for the objection and all relevant facts. Large corporations also have to describe each issue in dispute and provide an estimate of the dollar amount of each issue in dispute. Supporting documents should be provided in all cases.

# Payroll Source Deductions

| Type of Remitter | Thresholds[1] | Payment Deadline[2] |
|---|---|---|
| Quarterly[3] | | |
| New small employers | < $1,000 and perfect compliance history | 15th day of the month following the end of each calendar quarter |
| Small employers | < $3,000 and perfect compliance history | |
| Monthly[4] | | |
| New and regular employers | < $25,000 | 15th day of the following month |
| Semi-monthly[5] | | |
| Accelerated – Threshold 1 | $25,000 to $99,999.99 | 25th day of the same month<br>10th day of the following month |
| Weekly[6] | | |
| Accelerated – Threshold 2 | $100,000 or more | Third working day after the end of each weekly period |

**Notes**

(1) Thresholds are generally determined based on the average monthly withholdings of Canada Pension Plan (CPP) contributions, Employment Insurance (EI) premiums and employees' income tax in the second preceding calendar year. Special rules apply to small employers and new small employers (see note (3) and (4)). The source deductions of all associated corporations are combined to determine the range in which average monthly withholding amounts fall. If, for example, this amount is $25,000 or more, then all associated corporations will be considered accelerated remitters.

The Canada Revenue Agency (CRA) considers an employer to have a perfect compliance history if there have been no compliance irregularities, outstanding GST/HST returns or outstanding T4 information returns in the preceding 12 months.

(2) If the due date for the remittance falls on a Saturday, Sunday or public holiday recognized by the CRA, the remittance is due on the next business day. Remittances must be received by the CRA on or before the due date. All payments made after the due date are assessed a penalty calculated based on graduated rates.

Generally, remittances may be made either electronically or through a Canadian financial institution. The federal government requires electronic payments or remittances for amounts over $10,000 as of January 1, 2024.

(3) New small employers who will pay remuneration for the first time have the option to remit quarterly instead of monthly for the first year, if they have monthly withholdings of less than $1,000 and a perfect compliance history (see note (1)). When the employer's required monthly withholdings become greater than $1,000, the CRA will classify the employer as a weekly, semi-monthly, monthly or quarterly remitter in accordance with the existing rules.

Small employers who have had their payroll account for at least a year may remit their source deductions on a quarterly basis if they have average monthly withholdings of less than $3,000 in either the first or second preceding calendar year, and a perfect compliance history (see note (1)).

Quarterly remittance periods end on March 31, June 30, September 30 and December 31.

**Notes, continued**

(4) New employers (not including new small employers) or employers with average monthly withholdings of less than $25,000 in the second preceding calendar year may remit their payments either electronically, at a Canadian financial institution or by mail (subject to the threshold for required electronic payments, for payments made after 2023).

(5) Employers with average monthly withholding amounts between $25,000 and $100,000 in the second preceding calendar year must remit their source deductions in the following manner:

- For remuneration paid during the first 15 days of the month, remittances must be received by the 25th day of that same month
- For remuneration paid during the balance of the month, remittances must be received by the 10th day of the following month.

(6) Employers with average monthly withholding amounts of $100,000 or more in the second preceding calendar year must remit their source deductions four times a month. The remittances must be received by the third working day after the last day of the following periods:

- 1st to the 7th day of the month
- 8th to the 14th day of the month
- 15th to the 21st day of the month
- 22nd to the last day of the month.

Payments received by the CRA at least one full day before the due date will be considered to have been made at a financial institution. Payments made on the due date but not at a financial institution may be charged a penalty of 3% of the amount due.

# Income tax administration and policy

# Prescribed Interest Rates—2023[1]

| | Jan. to Mar. (Q1) | Apr. to Jun. (Q2) | Jul. to Sept. (Q3) | Oct. to Dec. (Q4) |
|---|---|---|---|---|
| **Federal[2]** | | | | |
| Base rate | 4.0% | 5.0% | 5.0% | 5.0% |
| Tax debts | 8.0 | 9.0 | 9.0 | 9.0 |
| Tax refunds – corporations | 4.0 | 5.0 | 5.0 | 5.0 |
| Tax refunds – other taxpayers | 6.0 | 7.0 | 7.0 | 7.0 |
| **Alberta[3]** | | | | |
| Tax debts | 7.5 | 8.5 | 8.5 | 8.5 |
| Tax refunds | 2.0 | 2.5 | 2.5 | 2.5 |
| **Quebec[4]** | | | | |
| Tax debts | 9.0 | 10.0 | 10.0 | 10.0 |
| Tax refunds | 3.75 | 4.25 | 4.0 | 4.5 |

**Notes**

(1) The rates in these tables do not apply to underpaid and overpaid capital taxes. For the applicable prescribed interest rates for capital tax debts and refunds see the tables "Prescribed Interest Rates for Capital Taxes".

(2) The federal base rate applies to taxable benefits for employees and shareholders, low-interest loans and other related-party transactions. The rate for tax debts applies to all tax debts, penalties, insufficient instalments, and unpaid employee income tax, Canada Pension Plan contributions and Employment Insurance premiums.

All provinces other than Alberta and Quebec use the federal interest rates for corporate income tax refunds and debts. All provinces other than Quebec use the federal interest rates for individual income tax refunds and debts.

Interest charged on tax debts is not deductible in calculating taxable income. Interest received on tax refunds must be included in taxable income in the year received. For any period of time where interest is calculated both on tax refunds and debts, the two amounts may be offset. Interest will be payable only on the net balance owing, with the rate of interest depending on whether there is a net overpayment or underpayment.

# Prescribed Interest Rates—2024[1]

| | Jan. to Mar. (Q1) | Apr. to Jun. (Q2) | Jul. to Sept. (Q3) | Oct. to Dec. (Q4) |
|---|---|---|---|---|
| **Federal**[2] | | | | |
| Base rate | 6.0% | 6.0% | 5.0% | TBA |
| Tax debts | 10.0 | 10.0 | 9.0 | TBA |
| Tax refunds – corporations | 6.0 | 6.0 | 5.0 | TBA |
| Tax refunds – other taxpayers | 8.0 | 8.0 | 7.0 | TBA |
| **Alberta**[3] | | | | |
| Tax debts | 9.5 | 9.5 | 8.5 | TBA |
| Tax refunds | 3.0 | 3.0 | 2.5 | TBA |
| **Quebec**[4] | | | | |
| Tax debts | 10.0 | 10.0 | 10.0 | TBA |
| Tax refunds | 5.0 | 5.0 | 4.75 | TBA |

TBA = To be announced

**Notes, continued**

(3) The Alberta rates indicated in the table apply to corporate income taxes.

(4) The Quebec rates indicated in the table apply to personal income taxes, as well as corporate income and capital taxes. Quebec also charges an additional 10% per year on underpaid instalments if less than 75% of the required amount (90% for corporations) is paid.

# Prescribed Interest Rates for Capital Taxes—2023[1]

| | Jan. to Mar. (Q1) | Apr. to Jun. (Q2) | Jul. to Sept. (Q3) | Oct. to Dec. (Q4) |
|---|---|---|---|---|
| **Saskatchewan** | | | | |
| Tax Debts | 9.45% | 9.45% | 9.95% | 9.95% |
| Tax Refunds | 6.45 | 6.45 | 6.95 | 6.95 |
| **Manitoba[2]** | | | | |
| Tax Debts | 9.45 | 9.45 | 9.95 | 9.95 |
| Tax Refunds | N/A | N/A | N/A | N/A |
| **Ontario[3]** | | | | |
| Tax Debts | 8.0 | 9.0 | 9.0 | 9.0 |
| Tax Refunds | 4.0 | 5.0 | 5.0 | 5.0 |
| **Quebec[4]** | | | | |
| Tax Debts | 9.0 | 10.0 | 10.0 | 10.0 |
| Tax Refunds | 3.75 | 4.25 | 4.0 | 4.5 |
| **New Brunswick[2]** | | | | |
| Tax Debts | 0.7591% per month | 0.7591% per month | 0.7591% per month | 0.7591% per month |
| Tax Refunds | N/A | N/A | N/A | N/A |
| **Nova Scotia** | | | | |
| Tax Debts | 8.0 | 9.0 | 9.0 | 9.0 |
| Tax Refunds | 4.0 | 5.0 | 5.0 | 5.0 |
| **Prince Edward Island[5]** | | | | |
| Tax Debts | 1.5% per month | 1.5% per month | 1.5% per month | 1.5% per month |
| Tax Refunds | 1.5% per month | 1.5% per month | 1.5% per month | 1.5% per month |
| **Newfoundland and Labrador** | | | | |
| Tax Debts | 8.0 | 9.0 | 9.0 | 9.0 |
| Tax Refunds | 4.0 | 5.0 | 5.0 | 5.0 |

**Notes**

(1) The rates in these tables apply only to underpaid and overpaid capital taxes. Only financial institutions are subject to capital tax (see the table “Capital Tax Rates — Financial Institutions”). For the applicable prescribed interest rates for personal and corporate income tax debts and refunds, as well as for employee and shareholder taxable benefits, low-interest loans and other related-party transactions, see the tables “Prescribed Interest Rates”.

(2) Manitoba and New Brunswick do not pay refund interest on overpaid capital tax.

# Prescribed Interest Rates for Capital Taxes—2024[1]

| | Jan. to Mar. (Q1) | Apr. to Jun. (Q2) | Jul. to Sept. (Q3) | Oct. to Dec. (Q4) |
|---|---|---|---|---|
| **Saskatchewan** | | | | |
| Tax Debts | 10.20% | 10.20% | TBA | TBA |
| Tax Refunds | 7.20 | 7.20 | TBA | TBA |
| **Manitoba[2]** | | | | |
| Tax Debts | 10.20 | 10.20 | TBA | TBA |
| Tax Refunds | N/A | N/A | TBA | TBA |
| **Ontario[3]** | | | | |
| Tax Debts | 10.0 | 10.0 | 9.0 | TBA |
| Tax Refunds | 6.0 | 6.0 | 5.0 | TBA |
| **Quebec[4]** | | | | |
| Tax Debts | 10.0 | 10.0 | TBA | TBA |
| Tax Refunds | 5.0 | 5.0 | TBA | TBA |
| **New Brunswick[2]** | | | | |
| Tax Debts | 0.7591% per month | 0.7591% per month | 0.7591% per month | TBA |
| Tax Refunds | N/A | N/A | N/A | TBA |
| **Nova Scotia** | | | | |
| Tax Debts | 10.0 | 10.0 | 9.0 | TBA |
| Tax Refunds | 6.0 | 6.0 | 5.0 | TBA |
| **Prince Edward Island[5]** | | | | |
| Tax Debts | 1.5% per month | 1.5% per month | 1.5% per month | TBA |
| Tax Refunds | 1.5% per month | 1.5% per month | 1.5% per month | TBA |
| **Newfoundland and Labrador** | | | | |
| Tax Debts | 10.0 | 10.0 | 9.0 | TBA |
| Tax Refunds | 6.0 | 6.0 | 5.0 | TBA |

TBA = To be announced

**Notes, continued**

(3) The federal government administers capital tax for Ontario, Nova Scotia and Newfoundland and Labrador, therefore interest on underpaid and overpaid capital tax in these provinces is calculated based on the federal prescribed rates.

(4) Quebec also charges an additional 10% per year on underpaid corporate instalments if less than 90% of the amount is paid.

(5) Prince Edward Island only pays refund interest if it arises as a result of an objection or appeal.

# Other Selected Federal Filing Deadlines

| Type of Return | Filing Deadline[1] |
|---|---|
| Payer Information Returns (T4, T4A, T4A-NR, T5) | On or before the last day of February following the calendar year to which the information returns apply<br>If the business or activity has been discontinued, no later than 30 days after the discontinuance |
| Trust Income Tax and Information Return[2] (T3), including related slips and summaries | Within 90 days of trust's year-end<br>90 days after a graduated rate estate's wind-up or discontinuance |
| Partnership Information Return[3] (T5013), including related schedules | Where all members are corporations, no later than five months from the end of the partnership's fiscal period<br>Where all members are individuals (including trusts), no later than March 31 of the calendar year following the year in which the partnership's fiscal period ended<br>In any other case, the earlier of these two dates<br>If the business or activity of the partnership has been discontinued, the earlier of 90 days after the discontinuance or the date that the partnership would otherwise have to file |
| Non-profit Organization Information Return (T1044) | Within six months of non-profit organization's year-end |
| Tax Shelter Information Return (T5003) | On or before the last day of February of the year following the year in which any tax shelter interests were sold by the promoter to an investor<br>If the tax shelter business or activity has been discontinued, on or before the earlier of the above date and 30 days after the discontinuance |
| Reportable Transaction and Notifiable Transaction Information Return[4] (RC312) | Within 90 days of the earlier of the day the taxpayer enters into the transaction, and the day the taxpayer becomes contractually obligated to enter into the transaction |
| Reportable Uncertain Tax Treatments Information Return[5] (RC3133) | Same filing due date as taxpayer's income tax return |
| NR4 Information Return—Amounts Paid or Credited to Non-Residents of Canada | On or before March 31 or within 90 days after the end of the estate's or trust's year-end<br>If the business or activity has been discontinued, no later than 30 days after the discontinuance |

Refer to notes on the following pages.

| Type of Return | Filing Deadline |
|---|---|
| T1159—Income Tax Return for Electing under Section 216 | If Form NR6—Undertaking to File an Income Tax Return by a Non-resident Receiving Rent from Real or Immovable Property or Receiving a Timber Royalty has been filed and approved, by June 30 of the calendar year following that year<br>If the non-resident taxpayer disposed of the rental property during the year for which capital cost allowance (CCA) had previously been claimed and recapture of the CCA is being included in that year, by April 30 of the calendar year following that year (regardless of NR6 filing)<br>In any other case, within two years of the non-resident taxpayer's year-end |
| T106—Information Return of Non-arm's Length Transactions with Non-Residents | Same filing due date as taxpayer's income tax return<br>For partnerships, same filing due date as the partnership information return |
| Schedule 91—Information Concerning Claims for Treaty-based Exemptions | Same filing due date as taxpayer's income tax return |
| Schedule 97—Additional information on Non-Resident Corporations in Canada | Same filing due date as taxpayer's income tax return |
| T1134—Information Return Relating to Controlled and Not-Controlled Foreign Affiliates | Within 10 months of taxpayer's year-end |
| T1135—Foreign Income Verification Statement | Same filing due date as taxpayer's income tax return<br>For partnerships, same filing due date as the partnership information return |
| T1141—Information Return in Respect of Contributions to Non-Resident Trusts, Arrangements or Entities | Same filing due date as taxpayer's income tax return |
| T1142—Information Return in Respect of Distributions from and Indebtedness to a Non-Resident Trust | Same filing due date as taxpayer's income tax return<br>For partnerships, same filing due date as the partnership information return |
| RC4649 Country-by-Country Report | Within 12 months of taxpayer's year-end |

Refer to notes on the following page.

**Notes**

(1) Generally, filing deadlines that fall on a Saturday, Sunday or a statutory holiday are extended to the next business day.

(2) The tax year-end of an inter vivos trust is December 31, except for a mutual fund trust that elects to have a December 15 year-end. The tax year-end of a testamentary trust is December 31, except for graduated rate estates. The tax year-end of a graduated rate estate must be within 12 months after the date of the individual's death.

A public trust is also required to disclose certain information in prescribed form by the following filing deadlines: within 60 days after the end of the taxation year, or where the public trust is, at any time in the taxation year, a public investment trust, within 67 days after the end of the calendar year in which the taxation year ends.

Trusts, with limited exceptions, are required to file a T3 return and report their beneficial ownership information on the new Schedule 15, "Beneficial ownership information of a trust", on an annual basis for taxation years ending after December 30, 2023. These rules apply to Canadian-resident express trusts and certain civil law trusts, as well as non-resident trusts that are currently required to file a T3 return and bare trusts. However, the CRA announced on March 28, 2024 that bare trusts will not be required to file a T3 return and Schedule 15 for their 2023 taxation years, unless they are specifically requested to provide these details. The CRA advised that it will work with the Department of Finance to further clarify its guidance on the filing requirement.

(3) Every member of a partnership that is, at any time in the fiscal period, a public partnership is also required to disclose certain information in prescribed form by the following filing deadlines: the earlier of 60 days after the end of the calendar year in which the fiscal period ends and four months after the end of the fiscal period, or where the public partnership is, at any time in the fiscal period, a public investment partnership, within 67 days after the end of the calendar year in which the fiscal period ends.

(4) Under the mandatory disclosure rules, taxpayers are generally required to disclose reportable transactions and notifiable transactions (or transactions substantially similar to a notifiable transaction) entered into after June 21, 2023 to the CRA within 90 days of the day the transaction is entered into by the taxpayer. The mandatory disclosure requirements for reportable and notifiable transactions, including the reporting deadlines, also apply to certain promoters and advisers.

(5) Certain corporate taxpayers that file a Canadian income tax return may be required to report uncertain tax treatments reflected in their audited financial statements for taxation years beginning on or after January 1, 2023 to the CRA.

# Selected Federal Penalty and Offence Provisions

| Description | Penalty/Offence |
| --- | --- |
| Failure and repeated failure to file income tax returns | First offence—5% plus 1% per complete month while failure continues (not exceeding 12 months) of unpaid tax<br>Repeat offence—10% plus 2% per complete month while failure continues (not exceeding 20 months) of unpaid tax[1] |
| Failure to file a return or to comply with certain provisions of the Income Tax Act | On summary conviction, fine between \$1,000 and \$25,000, or both the fine and imprisonment for a term not exceeding 12 months |
| Failure to file certain information returns | Greater of \$100 and \$25 per day, to a maximum of 100 days[2] |
| Failure to file foreign-based information returns | Up to 24 months—\$500[3] per month less any penalty imposed for failure to file an information return as indicated above<br>Over 24 months—an additional penalty equal to 5% of certain property amounts less any penalty imposed above or for failure to file an information return |
| Failure to provide information on prescribed forms | \$100 for every occurrence (includes failure to disclose Social Insurance Number)[4] |
| Failure to file in appropriate manner | \$25 for each failure for an individual; \$100 for each failure made by a corporation[5] |
| Failure to report income in year and in any of three preceding years | Lesser of 10% of amount not reported and 50% of difference between the tax payable on unreported income and any tax paid for unreported income[6] |
| False statements or omissions | Greater of \$100 and 50% of the tax payable on understatement of income |
| False statements or omissions on foreign-based information returns | Greater of \$24,000 and 5% of certain property amounts[7] |

Refer to notes on the following pages.

| Description | Penalty/Offence |
|---|---|
| Late or deficient instalment payments | 50% of the amount by which the interest payable on instalments for the year exceeds the greater of $1,000 and 25% of interest payable computed as if no instalments had been made |
| Failure to deduct or withhold tax | First offence—10% of amount not deducted or withheld[8]<br>Repeat offence—20% of amount not deducted or withheld[9] |
| False information on tax shelter application or tax shelter sold before identification number issued | Greater of (a) $500 and (b) 25% of the greater of the consideration received by a promoter from an investor before the correct information is filed or the identification number is issued, and if the tax shelter is a gifting arrangement, the value of property that the investor could donate |
| Wilfully providing incorrect tax shelter identification number | On summary conviction, fine from 100% to 200% of cost of tax shelter, imprisonment for up to two years, or both |
| Tax evasion | On summary conviction, fine from 50% to 200% of tax sought to be evaded, or both the fine and imprisonment for up to two years<br>On indictment, fine from 100% to 200% of tax sought to be evaded and imprisonment for up to five years |
| Third-party participation in a misrepresentation | Greater of $1,000 and penalty levied for a false statement or omission, capped at a total of $100,000 plus third-party's compensation |
| Third-party misrepresentation in tax planning arrangements | Greater of $1,000 and 100% of the gross revenue derived from the arrangement in respect of a planning or valuation activity |

**Notes**

(1) A taxpayer is generally liable to a repeat offence penalty where the Canada Revenue Agency (CRA) sends the taxpayer a demand for an income tax return for a taxation year and the taxpayer was previously subject to a failure to file penalty for any of the 3 preceding taxation years.

**Notes, continued**

(2) A partnership is generally liable for an additional repeat offence penalty where the CRA sends a partner a demand for a partnership information return and the partnership was previously subject to a failure to file penalty for any of the 3 preceding fiscal periods. This additional penalty is $100 for each partner for each month (or part of a month), to a maximum of 24 months.

Trusts (including bare trusts), with limited exceptions, have to provide additional information in an income tax return on an annual basis for taxation years ending after December 30, 2023. Under these reporting requirements, a taxpayer is generally liable for an additional penalty if the taxpayer knowingly or due to gross negligence makes a false statement or omission, or fails to file a trust's income tax return for a taxation year. This penalty is 5% of the maximum fair market value of property held during the year by the trust, with a minimum penalty of $2,500. For the 2023 taxation year, the CRA announced that it will not require bare trusts to file an income tax return, unless it directly requests a filing. The CRA advised that it will work with the Department of Finance to further clarify its guidance on this filing requirement. The CRA has not communicated any further information as at April 30, 2024.

A tax shelter promoter is generally liable for a penalty where the promoter fails to comply with a demand from the CRA to file a tax shelter information return. This penalty is equal to 25% of the greater of the consideration received by the promoter from the investor and if the tax shelter is a gifting arrangement, the value of property that the investor could donate.

The federal government introduced enhanced mandatory disclosure rules and requires taxpayers to disclose reportable and notifiable transactions (or transactions substantially similar to notifiable transactions) entered into after June 21, 2023 and requires certain corporate taxpayers to report uncertain tax treatments reflected in their audited financial statements for taxation years beginning after December 31, 2022. Persons who fail to make these disclosures may face significant penalties as well as extended reassessment periods.

(3) A taxpayer is generally liable for a penalty where the taxpayer knowingly or due to gross negligence fails to file certain foreign-based information returns (i.e., Forms T106, T1134, T1135, T1141 and RC4649, as discussed in the table "Other Selected Federal Filing Deadlines").

(4) This penalty does not apply where a reasonable attempt was made to obtain the outstanding information, or where a Social Insurance Number was applied for but not received at the time the return was filed.

(5) A tax preparer who is paid is generally liable for a penalty where the tax preparer does not electronically file income tax returns with the CRA. However, a tax preparer may file in a calendar year by other means up to 5 corporate returns, 5 individual returns and 5 trust or estate returns.

(6) A taxpayer is generally liable for a penalty where the taxpayer fails to report income equal to or greater than $500 for a taxation year and for any of the three preceding taxation years. This penalty does not apply if the false statements or omissions penalty applies.

(7) This penalty is $24,000 for Form T106, and the greater of $2,500 and 5% of certain property amounts for Form T1142 (see the table "Other Selected Federal Filing Deadlines").

(8) Late employer payroll remittances are subject to the following penalties: 3% for remittances that are less than four days late, 5% for remittances that are four or five days late, 7% for remittances that are six or seven days late and 10% for remittances that are more than seven days late.

(9) A taxpayer is generally liable for a repeat offence penalty where the taxpayer was previously subject to a failure to deduct or withhold tax penalty in the same calendar year and the taxpayer knowingly or due to gross negligence failed to deduct or withhold tax again.

# Selected Provincial/Territorial Penalty Provisions

| Province/Territory | Description | Penalty |
|---|---|---|
| Alberta[1] | Failure to file returns | 5% plus 1% per complete month while failure continues (not exceeding 12 months) of unpaid tax |
| | Late or deficient instalment payments | 50% of the amount by which the interest payable on instalments for the year exceeds the greater of $1,000 and 25% of interest payable computed as if no instalments had been made |
| | Failure to report errors in returns, or receipt of a federal or other provincial assessments and reassessments to Alberta within 90 days of discovery or mailing, respectively | 5% of incremental tax owing on the 90th day plus 1% per complete month while failure continues (not exceeding 12 months) plus loss of right to appeal for an arrears interest waiver |
| | False statements or omissions under circumstances amounting to gross negligence | Greater of $100 and 50% of the tax payable on understatement of income |
| Quebec[2] | Failure to file returns | 5% plus 1% per complete month while failure continues (not exceeding 12 months) of the unpaid tax |
| | False statements or omissions | Greater of $100 and 50% of the tax payable on understatement of income |
| | Late or deficient instalment payments | Additional interest charge of 10% per year on unpaid amounts[3] |
| Other provinces and territories[4] | | Same as federal |

Refer to notes on the following page.

**Notes**

(1) These penalties apply to Alberta's corporate income tax legislation. Penalties under personal income tax legislation in this province are the same as those that apply federally.

(2) These penalties apply to Quebec's personal and corporate income and capital tax legislation. Quebec also has third-party penalties similar to those that apply federally.

(3) These penalties apply only if a corporation's payment is less than 90% of the amount owed or an individual's payment is less than 75% of the amount owed.

(4) The CRA administers personal and corporate income tax legislation for British Columbia, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon, Northwest Territories, and Nunavut. Penalties under personal and corporate income tax legislation in these provinces and territories are the same as those that apply federally (see the table "Selected Federal Penalty and Offence Provisions").

# International

4

International

Current as of April 30, 2024

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# Non-Resident Withholding Tax Rates for Treaty Countries[1]

| Country[2] | Interest[3] | Dividends[4] | Royalties[5] |
|---|---|---|---|
| Algeria | 15% | 15% | 0/15% |
| Argentina[6] | 12.5 | 10/15 | 3/5/10/15 |
| Armenia | 10 | 5/15 | 10 |
| Australia | 10 | 5/15 | 10 |
| Austria | 10 | 5/15 | 0/10 |
| Azerbaijan | 10 | 10/15 | 5/10 |
| Bangladesh | 15 | 15 | 10 |
| Barbados | 15 | 15 | 0/10 |
| Belgium[7] | 10 | 5/15 | 0/10 |
| Brazil | 15 | 15/25 | 15/25 |
| Bulgaria[6] | 10 | 10/15 | 0/10 |
| Cameroon | 15 | 15 | 15 |
| Chile[6] | 10 | 5/10/15 | 10 |
| China, People's Republic | 10 | 10/15 | 10 |
| Colombia[6] | 10 | 5/15 | 10 |
| Croatia | 10 | 5/15 | 10 |
| Cyprus | 15 | 15 | 0/10 |
| Czech Republic | 10 | 5/15 | 10 |
| Denmark | 10 | 5/15 | 0/10 |
| Dominican Republic | 18 | 18 | 0/18 |
| Ecuador[6] | 15 | 5/15 | 10/15 |
| Egypt | 15 | 15 | 15 |
| Estonia[6] | 10 | 5/15 | 0/10 |
| Finland | 10 | 5/15 | 0/10 |

Refer to notes on the following pages.

| Country[2] | Interest[3] | Dividends[4] | Royalties[5] |
|---|---|---|---|
| France | 10% | 5/15% | 0/10% |
| Gabon | 10 | 15 | 10 |
| Germany | 10 | 5/15 | 0/10 |
| Greece | 10 | 5/15 | 0/10 |
| Guyana | 15 | 15 | 10 |
| Hong Kong | 10 | 5/15 | 10 |
| Hungary | 10 | 5/15 | 0/10 |
| Iceland | 10 | 5/15 | 0/10 |
| India | 15 | 15/25 | 10/15 |
| Indonesia | 10 | 10/15 | 10 |
| Ireland | 10 | 5/15 | 0/10 |
| Israel | 10 | 5/15 | 0/10 |
| Italy | 10 | 5/15 | 0/5/10 |
| Ivory Coast | 15 | 15 | 10 |
| Jamaica | 15 | 15 | 10 |
| Japan | 10 | 5/15 | 10 |
| Jordan | 10 | 10/15 | 10 |
| Kazakhstan[6] | 10 | 5/15 | 10 |
| Kenya | 15 | 15/25 | 15 |
| Korea, Republic of | 10 | 5/15 | 10 |
| Kuwait | 10 | 5/15 | 10 |
| Kyrgyzstan[6] | 15 | 15 | 0/10 |
| Latvia[6] | 10 | 5/15 | 0/10 |
| Lebanon[8] | (10) | (5/15) | (5/10) |

Refer to notes on the following pages.

| Country[2] | Interest[3] | Dividends[4] | Royalties[5] |
|---|---|---|---|
| Lithuania[6] | 10% | 5/15% | 0/10% |
| Luxembourg | 10 | 5/15 | 0/10 |
| Madagascar | 10 | 5/15 | 5/10 |
| Malaysia | 15 | 15 | 15 |
| Malta | 15 | 15 | 0/10 |
| Mexico | 10 | 5/15 | 0/10 |
| Moldova | 10 | 5/15 | 10 |
| Mongolia | 10 | 5/15 | 5/10 |
| Morocco | 15 | 15 | 5/10 |
| Namibia[8] | (10) | (5/15) | (0/10) |
| Netherlands | 10 | 5/15 | 0/10 |
| New Zealand | 10 | 5/15 | 5/10 |
| Nigeria | 12.5 | 12.5/15 | 12.5 |
| Norway | 10 | 5/15 | 0/10 |
| Oman[6] | 10 | 5/15 | 0/10 |
| Pakistan | 15 | 15 | 0/15 |
| Papua New Guinea | 10 | 15 | 10 |
| Peru[6] | 15 | 10/15 | 15 |
| Philippines | 15 | 15 | 10 |
| Poland | 10 | 5/15 | 5/10 |
| Portugal | 10 | 10/15 | 10 |
| Romania | 10 | 5/15 | 5/10 |
| Russia | 10 | 10/15 | 0/10 |
| Senegal | 15 | 15 | 15 |

Refer to notes on the following pages.

| Country[2] | Interest[3] | Dividends[4] | Royalties[5] |
|---|---|---|---|
| Serbia | 10% | 5/15% | 10% |
| Singapore | 15 | 15 | 15 |
| Slovak Republic | 10 | 5/15 | 0/10 |
| Slovenia | 10 | 5/15 | 10 |
| South Africa | 10 | 5/15 | 6/10 |
| Spain | 10 | 5/15 | 0/10 |
| Sri Lanka | 15 | 15 | 0/10 |
| Sweden | 10 | 5/15 | 0/10 |
| Switzerland | 10 | 5/15 | 0/10 |
| Taiwan | 10 | 10/15 | 10 |
| Tanzania | 15 | 20/25 | 20 |
| Thailand | 15 | 15 | 5/15 |
| Trinidad & Tobago | 10 | 5/15 | 0/10 |
| Tunisia | 15 | 15 | 0/15/20 |
| Turkey | 15 | 15/20 | 10 |
| Ukraine | 10 | 5/15 | 0/10 |
| United Arab Emirates | 10 | 5/15 | 0/10 |
| United Kingdom | 10 | 5/15 | 0/10 |
| United States | 0 | 5/15 | 0/10 |
| Uzbekistan | 10 | 5/15 | 5/10 |
| Venezuela[6] | 10 | 10/15 | 5/10 |
| Vietnam[6] | 10 | 5/10/15 | 7.5/10 |
| Zambia | 15 | 15 | 15 |
| Zimbabwe | 15 | 10/15 | 10 |

Refer to notes on the following pages.

**Notes**

(1) The relevant treaty should be consulted to determine if specific conditions or exemptions apply in respect of a payment. In addition, the multilateral instrument (MLI) should be considered when determining treaty benefits under Canada's tax treaties.

When it signed the MLI, Canada adopted a principal purposes test (PPT) that can deny treaty benefits where one of the principal purposes of any arrangement or transaction is to obtain a treaty benefit. The MLI may impact the availability of reduced treaty withholding tax rates depending on whether Canada's treaty partner has also deposited its instrument of ratification with the OECD and has listed its treaty with Canada as covered for purposes of the MLI.

The rates indicated in the table apply to payments from Canada to the treaty country. In some cases, a treaty may provide for a different rate of withholding tax on payments made from that country to Canada.

(2) As of April 30, 2024, Canada is negotiating or renegotiating tax treaties or protocols with the following countries:

- Australia
- Brazil
- China (PRC)
- Germany
- Malaysia
- Netherlands
- San Marino
- Switzerland

(3) Canada imposes no domestic withholding tax on certain arm's length interest payments, however non-arm's length payments are subject to a 25% withholding tax.

(4) Dividends paid to a non-resident are subject to a 25% withholding tax (subject to a reduction by any applicable treaty). The withholding tax rate on dividends under the terms of Canada's tax treaties generally varies depending on the percentage ownership of the total issued capital or voting rights in respect of shares owned by the recipient. In addition, Canada has adopted an optional provision of the MLI which requires corporate shareholders to meet certain share ownership conditions throughout a 365-day period to access a lower dividend rate. For the provision to apply, Canada's treaty partners must have also adopted this provision. As not all of Canada's treaty partners have adopted this provision, whether this test applies will depend on the treaty.

**Notes, continued**

(5) Royalties generally include:

- Payments received as consideration for the use of or the right to use any property, invention, patent, trademark, design or model, plan, secret formula or process
- Payments received as consideration for the use of or the right to use industrial, commercial or scientific equipment or for information concerning industrial, commercial or scientific experience
- Payments in respect of motion picture films, and works on film or videotape for use in connection with television
- In some cases, technical assistance in respect of these items is also included.

Canada generally exempts from withholding tax cultural royalties or similar payments for copyrights in respect of the production or reproduction of any literary, dramatic, musical or artistic work, other than motion-picture films and videotapes or other means of reproduction for use in connection with television. However, several treaties exempt all cultural royalties from tax.

A lower withholding tax rate may apply on payments in respect of rights to use patented information or information concerning scientific experience and for payments for the use of computer software. As such, the relevant treaty should be consulted.

(6) The treaty currently in effect with these countries includes a Most Favoured Nation clause, which may provide for a reduced withholding tax rate if Canada's treaty partner has signed a treaty with another country and that treaty includes a lower withholding tax rate. This clause allows the lower rate to apply to the Canadian treaty. The items of income to which the clause applies varies by treaty. The lower withholding tax rate in the other country's treaty will apply to Canada if that treaty is signed after the date that Canada's treaty with the particular country is signed.

(7) A protocol or replacement treaty is signed but not yet ratified. If there are changes to withholding tax rates in the protocol or replacement treaty, the new rates are indicated in parentheses. Otherwise, the rates in the table continue to apply.

(8) A new treaty is signed but not yet in effect. The rates in the new treaty are indicated in parentheses. Until ratification, the withholding tax rate is generally 25%.

# U.S. Federal Personal Income Tax Rates—2024

**Single taxpayers**

| If Taxable Income Is Over | But Not Over | The Tax Rate Is | Of the Amount Over |
|---|---|---|---|
| $0 | $11,600 | 10% | $0 |
| 11,600 | 47,150 | $1,160.00 + 12% | 11,600 |
| 47,150 | 100,525 | 5,426.00 + 22% | 47,150 |
| 100,525 | 191,950 | 17,168.50 + 24% | 100,525 |
| 191,950 | 243,725 | 39,110.50 + 32% | 191,950 |
| 243,725 | 609,350 | 55,678.50 + 35% | 243,725 |
| 609,350 | | 183,647.25 + 37% | 609,350 |

**Married individuals filing joint returns**

| If Taxable Income Is Over | But Not Over | The Tax Rate Is | Of the Amount Over |
|---|---|---|---|
| $0 | $23,200 | 10% | $0 |
| 23,200 | 94,300 | $2,320.00 + 12% | 23,200 |
| 94,300 | 201,050 | 10,852.00 + 22% | 94,300 |
| 201,050 | 383,900 | 34,337.00 + 24% | 201,050 |
| 383,900 | 487,450 | 78,221.00 + 32% | 383,900 |
| 487,450 | 731,200 | 111,357.00 + 35% | 487,450 |
| 731,200 | | 196,669.50 + 37% | 731,200 |

Refer to notes on the following pages.

**Married individuals filing separate returns**

| If Taxable Income Is Over | But Not Over | The Tax Rate Is | Of the Amount Over |
|---|---|---|---|
| $0 | $11,600 | 10% | $0 |
| 11,600 | 47,150 | $1,160.00 + 12% | 11,600 |
| 47,150 | 100,525 | 5,426.00 + 22% | 47,150 |
| 100,525 | 191,950 | 17,168.50 + 24% | 100,525 |
| 191,950 | 243,725 | 39,110.50 + 32% | 191,950 |
| 243,725 | 365,600 | 55,678.50 + 35% | 243,725 |
| 365,600 | | 98,334.75 + 37% | 365,600 |

**Heads of households**

| If Taxable Income Is Over | But Not Over | The Tax Rate Is | Of the Amount Over |
|---|---|---|---|
| $0 | $16,550 | 10% | $0 |
| 16,550 | 63,100 | $1,655.00 + 12% | 16,550 |
| 63,100 | 100,500 | 7,241.00 + 22% | 63,100 |
| 100,500 | 191,950 | 15,469.00 + 24% | 100,500 |
| 191,950 | 243,700 | 37,417.00 + 32% | 191,950 |
| 243,700 | 609,350 | 53,977.00 + 35% | 243,700 |
| 609,350 | | 181,954.50 + 37% | 609,350 |

Refer to notes on the following pages.

## Notes

All amounts referred to in the table and the notes are denominated in U.S. dollars.

### Ordinary income tax rates

The Tax Cuts and Jobs Act ("TCJA") signed into law on December 22, 2017 temporarily modifies the individual tax brackets and rates effective for tax years beginning in 2018 until December 31, 2025. Beginning in the 2026 tax year, the brackets and rates would revert to 2017 law, as adjusted for inflation.

The top federal individual income tax rate under the temporary rules decreased to 37% (from 39.6%), and the rules significantly increase the income level for the top tax bracket, meaning that a given amount of taxable income will generally attract a lower effective tax rate under the temporary rules.

### Taxation of capital gains

Under the TCJA, capital gains remain taxable at either 0%, 15%, or 20% for net long-term capital gains, which applies to the sale of capital assets held for more than 12 months. For 2024, the 15% breakpoint is $94,050 for married taxpayers filing jointly, $63,000 for head of household filers, and $47,025 for all other filers. The 20% breakpoint is $583,750 for married taxpayers filing jointly, $291,850 for married taxpayers filing separately, $551,350 for head of household filers, and $518,900 for all other filers.

Gains from collectibles such as art, rugs or coins are not eligible for the full reduced rates, and neither are gains from the sale of qualified small business ("QSB") stock (in excess of any excluded gains) and of real estate, generally to the extent of depreciation previously claimed. The top tax rate is 28% for collectibles and QSB stock and 25% for recaptured depreciation.

Special rules also apply to sales of principal residences. Individuals are generally permitted to exclude from taxable income up to $250,000 of gain ($500,000 for married individuals filing joint returns) realized on the sale or exchange of a residence provided it was owned and occupied as a principal residence for at least two years out of the five years prior to the sale or exchange. Only one sale in any two-year period qualifies for the exclusion.

### Taxation of dividends

Qualified dividends are taxed as net long-term capital gains at the rates and breakpoints outlined above. Dividends which are not eligible for the capital gains rates are taxed as ordinary income.

Qualified dividends are eligible for these reduced tax rates if the shares are held for at least 60 days.

In general, dividends received from domestic and certain foreign corporations from treaty countries are eligible for the reduced rates. Those received from passive foreign investment companies are specifically excluded.

## Notes, continued

### Net Investment Income Tax

Individuals are subject to a Net Investment Income Tax ("NIIT") equal to 3.8% of the lesser of:

1) Net investment income; or
2) The excess (if any) of modified adjusted gross income over the threshold amount.

In general, net investment income includes but is not limited to interest, dividends, certain net gains, and rental and royalty income.

The NIIT does not apply to any capital gain recognized on the sale of a principal residence that is exempt from tax (see "Taxation of capital gains" above).

The threshold amounts with respect to the NIIT are as follows:

| Filing Status | Threshold Amount |
|---|---|
| Single or head of household | $200,000 |
| Married filing jointly | 250,000 |
| Married filing separately | 125,000 |
| Qualifying widow(er) with a child | 250,000 |

# U.S. Federal Insurance Contribution Act (FICA) Tax Rates[1]

### Social Security and Medicare Taxes

| | Wage Base Limit | Tax Rate | | Maximum Annual Contribution | |
|---|---|---|---|---|---|
| | | Employee | Employer | Employee | Employer |
| 2022 | Up to $147,000 | 7.65% | 7.65% | $11,246 | $11,246 |
| | 147,001 to 200,000[2] | 1.45 | 1.45 | 768[3] | 768[3] |
| | Over 200,000[2] | 2.35 | 1.45 | N/A | N/A |
| 2023 | Up to $160,200 | 7.65 | 7.65 | $12,255 | $12,255 |
| | 160,201 to 200,000[2] | 1.45 | 1.45 | 577[4] | 577[4] |
| | Over 200,000[2] | 2.35 | 1.45 | N/A | N/A |
| 2024 | Up to $168,600 | 7.65 | 7.65 | $12,898 | $12,898 |
| | 168,601 to 200,000[2] | 1.45 | 1.45 | 455[5] | 455[5] |
| | Over 200,000[2] | 2.35 | 1.45 | N/A | N/A |

### Self-employment Tax

| | Net Earnings Limit | Self-employed Tax Rate | Maximum Annual Contribution |
|---|---|---|---|
| 2022 | Up to $147,000 | 15.3% | $22,491 |
| | 147,001 to 200,000[2] | 2.9 | 1,537[3] |
| | Over 200,000[2] | 3.8 | N/A |
| 2023 | Up to $160,200 | 15.3 | $24,511 |
| | 160,201 to 200,000[2] | 2.9 | 1,154[4] |
| | Over 200,000[2] | 3.8 | N/A |
| 2024 | Up to $168,600 | 15.3 | $25,796 |
| | 168,601 to 200,000[2] | 2.9 | 911[5] |
| | Over 200,000[2] | 3.8 | N/A |

Refer to notes on the following page.

**Notes**

(1) All amounts referred to in the tables and the notes are denominated in U.S. dollars.

(2) The threshold for the higher rate of the Medicare portion of the FICA tax (an additional 0.9%) is $200,000 of wages or self-employment income for a single filer, $250,000 for married taxpayers filing a joint return and $125,000 for married taxpayers filing separately.

This additional Medicare tax is only charged to the employee—the employer is not responsible for this tax.

(3) 2022 Maximum Annual Contribution for the lower rate of the Medicare portion of the FICA tax for compensation or self-employment income in excess of $147,000 is as follows:

| | Employee | Employer | Self-employed |
|---|---|---|---|
| Single filer | $768.50 | $768.50 | $1,537.00 |
| Married taxpayers filing a joint return | $1,493.50 | $1,493.50 | $2,987.00 |
| Married taxpayers filing separately | N/A | N/A | N/A |

(4) 2023 Maximum Annual Contribution for the lower rate of the Medicare portion of the FICA tax for compensation or self-employment income in excess of $160,200 is as follows:

| | Employee | Employer | Self-employed |
|---|---|---|---|
| Single filer | $577.10 | $577.10 | $1,154.20 |
| Married taxpayers filing a joint return | $1,302.10 | $1,302.10 | $2,604.20 |
| Married taxpayers filing separately | N/A | N/A | N/A |

(5) 2024 Maximum Annual Contribution for the lower rate of the Medicare portion of the FICA tax for compensation or self-employment income in excess of $168,600 is as follows:

| | Employee | Employer | Self-employed |
|---|---|---|---|
| Single filer | $455.30 | $455.30 | $910.60 |
| Married taxpayers filing a joint return | $1,180.30 | $1,180.30 | $2,360.60 |
| Married taxpayers filing separately | N/A | N/A | N/A |

# U.S. Federal Estate, Gift and Generation-Skipping Transfer Tax Rates

| If the Amount Is Over | But Not Over | The Tentative Tax Is | Of the Amount Over |
|---|---|---|---|
| $0 | $10,000 | 18% | $0 |
| 10,000 | 20,000 | $1,800 + 20% | 10,000 |
| 20,000 | 40,000 | 3,800 + 22% | 20,000 |
| 40,000 | 60,000 | 8,200 + 24% | 40,000 |
| 60,000 | 80,000 | 13,000 + 26% | 60,000 |
| 80,000 | 100,000 | 18,200 + 28% | 80,000 |
| 100,000 | 150,000 | 23,800 + 30% | 100,000 |
| 150,000 | 250,000 | 38,800 + 32% | 150,000 |
| 250,000 | 500,000 | 70,800 + 34% | 250,000 |
| 500,000 | 750,000 | 155,800 + 37% | 500,000 |
| 750,000 | 1,000,000 | 248,300 + 39% | 750,000 |
| 1,000,000 | | 345,800 + 40% | 1,000,000 |

**Notes**

- All amounts referred to in the table and the notes are denominated in U.S. dollars.
- Taxable gifts made during one's lifetime and from their estate upon death are combined in determining the exempt amount and the applicable tax rate.
- In 2024, most U.S. citizens and U.S. domiciled decedents will be allowed an estate exemption of $13,610,000, effectively exempting estates of less than that amount from tax. The gift tax exemption amount for 2024 is also $13,610,000. This temporary increase is the result of the Tax Cuts and Jobs Act.
- The federal gift tax exemption amount is shared with the estate exemption amount. In addition, this estate and gift tax exemption is portable to a surviving U.S. citizen spouse. This allows the surviving spouse to utilize any exemption amount not utilized by the decedent spouse. The increased lifetime estate and gift exemption will be indexed for inflation on an annual basis and will revert back to $5,490,000 in 2026.
- Non-resident aliens are allowed a credit of only $13,000, effectively exempting U.S. situs assets of $60,000 or less from U.S. estate tax.
- The individual annual exclusion for gifts in 2024 is $18,000 per donee.
- Gifts made to U.S. citizen spouses are unlimited. The annual exclusion for gifts made to non-U.S. citizen spouses in 2024 is $185,000.
- The Canada–U.S. Tax Treaty increases the credit for residents of Canada from the $13,000 allowed under U.S. law up to the amount of the credit allowed to U.S. citizens. However, the credit must be prorated by the ratio of the FMV of the individual's U.S. situs assets over their worldwide estate.

**Notes, continued**

- In 2024, a generation-skipping transfer tax of 40% will apply in addition to any estate or gift tax payable on certain transfers to individuals or trusts that are more than one generation below the transferor. Each U.S. individual will be entitled to a lifetime exemption for generation-skipping transfers of $13,610,000 (shared with the estate and gift taxes), but an election may be required on a gift or estate tax return to provide the intended utilization of the exemption.
- The following table summarizes both the exemption amounts and the highest tax rates for estate and gift taxes, for the years 2020 to 2024. The 'estate exempt amount' is indexed for inflation.

| | Lifetime Estate and Gift Exempt Amount | Highest Estate and Gift Tax Rate |
|---|---|---|
| 2020 | $11,580,000 | 40% |
| 2021 | 11,700,000 | 40 |
| 2022 | 12,060,000 | 40 |
| 2023 | 12,920,000 | 40 |
| 2024 | 13,610,000 | 40 |

# U.S. Federal Corporate Income Tax Rates—2024

The U.S. federal corporate income tax rate is a flat rate of 21%. This rate also applies to personal services companies. The federal corporate income tax system changed from graduated rates to a flat rate beginning January 1, 2018 under The Tax Cuts and Jobs Act.

Personal holding companies continue to be subject to an additional Federal Income Tax of 20% levied on their undistributed income at the end of each taxation year.

# U.S. State Maximum Personal and Corporate Tax Rates[1]—2024

| | Personal Tax Rate | Corporate Tax Rate |
|---|---|---|
| Alabama | 5.00% | 6.50% |
| Alaska | no income tax | 9.40 |
| Arizona | 2.50 | 4.90 |
| Arkansas | 4.40[2] | 4.80[2] |
| California | 13.30 | 8.84 |
| Colorado | 4.40 | 4.40 |
| Connecticut | 6.99 | 7.50 |
| Delaware | 6.60 | 8.70 |
| District of Columbia | 10.75 | 8.25 |
| Florida | no income tax | 5.50 |
| Georgia | 5.39[3] | 5.75 |
| Hawaii | 11.00 | 6.40 |
| Idaho | 5.695[4] | 5.695[4] |
| Illinois | 4.95 | 9.50 |
| Indiana | 3.05[5] | 4.90 |
| Iowa | 5.70[6] | 7.10[6] |
| Kansas | 5.70 | 6.50[7] |

Refer to notes on the following pages.

| | Personal Tax Rate | Corporate Tax Rate |
|---|---|---|
| Kentucky | 4.00%[8] | 5.00% |
| Louisiana | 4.25 | 7.50 |
| Maine | 7.15 | 8.93 |
| Maryland | 5.75 | 8.25 |
| Massachusetts | 5.00[9] | 8.00 |
| Michigan | 4.25[10] | 6.00 |
| Minnesota | 9.85 | 9.80 |
| Mississippi | 4.70[11] | 5.00 |
| Missouri | 4.80[12] | 4.00 |
| Montana | 5.90[13] | 6.75 |
| Nebraska | 5.84[14] | 5.84[14] |
| Nevada | no income tax | no income tax[15] |
| New Hampshire | 4.00%[16] of dividend & interest income | 7.50[16] |
| New Jersey | 10.75 | 9.00[17] |
| New Mexico | 5.90 | 5.90 |
| New York | 10.90 | 7.25 |
| North Carolina | 4.50[18] | 2.50 |

Refer to notes on the following pages.

| | Personal Tax Rate | Corporate Tax Rate |
|---|---|---|
| North Dakota | 2.50%[19] | 4.31% |
| Ohio | 3.50[20] | no income tax[15] |
| Oklahoma | 4.75 | 4.00 |
| Oregon | 9.90 | 7.60 |
| Pennsylvania | 3.07 | 8.49[21] |
| Rhode Island | 5.99 | 7.00 |
| South Carolina | 6.30[22] | 5.00 |
| South Dakota | no income tax | no income tax |
| Tennessee | no income tax | 6.50 |
| Texas | no income tax | 0.375% or 0.750% of taxable margin[23] |
| Utah | 4.55[24] | 4.55[24] |
| Vermont | 8.75 | 8.50 |
| Virginia | 5.75 | 6.00 |
| Washington | 7.00% on capital gains | no income tax[15] |
| West Virginia | 5.12 | 6.50 |
| Wisconsin | 7.65 | 7.90 |
| Wyoming | no income tax | no income tax |

**Notes**

(1) These rates should only be used for general information purposes as many states have graduated rates that apply at lower levels of taxable income. Furthermore, county (e.g., Indiana and Maryland) and municipal taxes (e.g., New York City) may also be added to State individual income tax returns and thereby increase the overall individual tax rate in some States. State tax rates apply to taxable income as determined for state tax purposes. Many states also impose an alternative minimum tax, a gross receipts tax, a capital tax or an intangibles tax. Most states tax capital gains at different rates than ordinary income for individuals but not for corporations.

(2) Arkansas' top marginal personal tax rate decreased to 4.4% (from 4.7%) effective January 1, 2024.

Arkansas' top marginal corporate tax rate decreased to 4.8% (from 5.1%) effective January 1, 2024.

(3) Georgia's personal tax rate decreased to 5.39% (from 5.75%) effective January 1, 2024.

(4) Idaho's personal and corporate tax rate decreased to 5.695% (from 5.8%) effective January 1, 2024.

(5) Indiana's personal tax rate decreased to 3.05% (from 3.15%) effective January 1, 2024.

(6) Iowa's top marginal personal tax rate decreased to 5.7% (from 6.0%) effective January 1, 2024.

Iowa's corporate tax rate decreased to 7.1% (from 8%) effective for tax years beginning on or after January 1, 2024.

**Notes, continued**

(7) Kansas' top corporate tax rate decreased to 6.5% (from 7%) for the 2024 tax year.

(8) Kentucky's personal tax rate decreased to 4% (from 4.5%) effective January 1, 2024.

(9) Massachusetts taxes general income at a base 5% rate. Other types of income, including certain investment income, can be taxed at rates up to 12%. Massachusetts also levies an additional 4% surtax on taxable income in excess of $1,053,740 for the 2024 tax year.

(10) Michigan's personal tax rate increased to 4.25% (from 4.05%) effective January 1, 2024. The rate decrease to 4.05% (from 4.25%) was for the 2023 tax year only.

(11) Mississippi's personal tax rate decreased to 4.7% (from 5%) effective January 1, 2024.

(12) Missouri's top marginal personal tax rate decreased to 4.8% (from 4.95%) effective January 1, 2024.

(13) Montana's top marginal personal tax rate decreased to 5.9% (from 6.75%) effective January 1, 2024.

(14) Nebraska's top marginal personal tax rate decreased to 5.84% (from 6.64%) effective January 1, 2024.

Nebraska's top marginal corporate tax rate decreased to 5.84% (from 7.25%) for the 2024 tax year.

(15) Some states, such as Nevada, Ohio and Washington which do not impose a corporate income tax, do impose a tax on business activity in the state based upon a measure (usually gross receipts) other than corporate net income.

(16) New Hampshire will gradually phase out its tax on interest and dividends as follows:

- The tax rate will decrease to 4% (from 5%) for taxable periods ending on or after December 31, 2023
- The tax rate will decrease to 3% (from 4%) for taxable periods ending on or after December 31, 2024
- The tax rate will decrease to 2% (from 3%) for taxable periods ending on or after December 31, 2025
- The tax rate will decrease to 1% (from 2%) for taxable periods ending on or after December 31, 2026.

The tax on interest and dividends will be repealed for taxable periods beginning after December 31, 2026.

New Hampshire's corporate tax rate decreased to 7.5% (from 7.6%) for the 2024 tax year.

(17) New Jersey's top corporate tax rate has decreased to 9% (from 11.5%) for the 2024 tax year.

(18) North Carolina's personal tax rate decreased to 4.5% (from 4.75%) effective January 1, 2024.

(19) North Dakota's top personal tax rate decreased to 2.5% (from 2.9%) effective January 1, 2024. The state will be adjusting its tax rates for inflation on an annual basis.

(20) Ohio's personal tax rate decreased to 3.5% (from 3.99%) effective January 1, 2024.

(21) Pennsylvania's corporate tax rate decreased to 8.49% (from 8.99%) effective January 1, 2024.

(22) South Carolina's top marginal personal tax rate decreased to 6.3% (from 6.5%) effective January 1, 2024.

(23) Texas franchise tax rate is 0.375% of taxable margin for retailers and wholesalers and 0.75% of taxable margin for other taxpayers. Entities with revenues of $1,230,000 or less owe no tax.

(24) Utah's personal tax rate and corporate tax rate decreased to 4.55% (from 4.65%) effective January 1, 2024.

# Personal Imports—Personal Exemptions[1]

| Length of Absence[2] | Value of Goods | Alcohol | Tobacco[3] |
|---|---|---|---|
| Less than 24 hours | Personal exemption does not apply | N/A | N/A |
| 24 hours or more[4] | Up to $200 | N/A | N/A |
| 48 hours or more[5] | Up to $800 | 1.5L wine or 1.14L alcoholic beverages or 8.5L of beer or ale | 200 cigarettes and 50 cigars/cigarillos and 200 tobacco sticks and 200 grams of manufactured tobacco |
| 7 days or more[5] | Up to $800 | 1.5L wine or 1.14L alcoholic beverages or 8.5L of beer or ale | 200 cigarettes and 50 cigars/cigarillos and 200 tobacco sticks and 200 grams of manufactured tobacco |

**Notes**

(1) If you are a Canadian resident returning from travel outside Canada, a former resident returning to live in Canada, or a temporary resident of Canada returning from a trip outside of Canada, you are entitled to a personal exemption which allows the import of goods into Canada without paying the applicable customs duty, GST/HST, and excise tax. The amount of your exemption is based on the length of your time outside of Canada. A personal exemption can be used any number of times throughout the year, however, personal exemptions cannot be combined with, or transferred to another person.

(2) When calculating the number of days away, the date of departure from Canada is not included but the date of return is.

(3) Cigarettes, tobacco sticks or manufactured tobacco included in the personal exemption may receive only a partial exemption. Tobacco that exceeds the personal exemption will be subject to regular assessments on the excess amount. These regular assessments may include duty and taxes, as well as provincial or territorial fees. An allowance will be given for products that have an excise stamp “DUTY PAID CANADA DROIT ACQUITTÉ”. Canadian-made products with this mark are sold at duty-free shops.

(4) If the length of absence is 24 hours or more and the value of the goods purchased abroad exceeds CDN$200 the personal exemption of $200 cannot be claimed. Instead, the applicable duty and tax must be paid on the total value of the goods being brought into Canada. You must have the goods with you when you arrive in Canada and this personal exemption does not include alcohol or tobacco products.

(5) If the length of absence is 48 hours or more and the value of goods purchased abroad exceeds the personal exemption of CDN$800, duty will be assessed on the amount by which the value of the goods exceeds the personal exemption amount. For example, if $1,000 of goods was purchased while on a three-day trip, duty and tax would be calculated and must be paid on the amount exceeding the $800 personal exemption amount (i.e., $200). However, on the first CDN$300 over your exemption, you are entitled to a beneficial duty rate of 7% on all goods that would not be duty-free in the Customs Tariff. You must have the goods with you when you arrive in Canada. However, if the length of the stay outside Canada is 7 days or greater the goods, with the exception of tobacco products and alcoholic beverages, are not required to be with you when entering but may be declared as goods to follow. All goods, including those to follow, must be reported to the Canada Border Services Agency when you enter Canada.

# Personal Imports—Currency, Gifts, Prohibited Goods and Cannabis

### Currency

There are no restrictions on the amount of monetary instruments or cash that can be brought into or taken out of Canada. However, importing or exporting monetary instruments of CDN$10,000 or more (or the equivalent in a foreign currency), must be reported to the Canada Border Services Agency (CBSA) upon arrival to Canada or prior to departure from Canada. If you transport currency or monetary instruments that belong to you, you must complete Form E677—Cross-Border Currency or Monetary Instruments Report—Individuals. If you transport currency or monetary instruments on someone else's behalf, you must complete Form E667—Cross-Border Currency or Monetary Instruments Report—General.

Monetary instruments or cash not reported to the CBSA may be subject to seizure, forfeiture or an assessment of penalties. Penalties range from $250 to $5,000.

### Gifts

While you are outside Canada, you can send gifts free of duty and taxes to friends within Canada. To qualify, each gift must not be worth more than CDN$60 and cannot be a tobacco product, an alcoholic beverage or advertising matter. If the gift is worth more than CDN$60, the recipient will have to pay regular duty and taxes on the excess amounts. Gifts that you send from outside Canada do not count as part of your personal exemption, but gifts that are brought back in personal luggage do count against your exemption limits.

### Prohibited or restricted goods

The following items are prohibited or subject to import restrictions:

- Firearms and weapons
- Replica firearms
- Explosives, fireworks, and ammunition
- Vehicles, import restrictions apply mostly to used or second-hand vehicles that are not manufactured in the current year and imported from a country other than the United States
- Food products
- Animals, plants, and their products
- Endangered species
- Cultural property
- Prohibited consumer products, as outlined by Health Canada
- Health products (prescription drugs)
- Used or second-hand mattresses
- Goods subject to import controls
- Posters and handbills depicting scenes of crime or violence
- Photographic, film, video or other visual representations that are child pornography under the Criminal Code
- Firewood
- Good contaminated with soil
- Books, printed paper, drawings, paintings, prints, photographs or representations of any kind that, under the Criminal Code:
  - are deemed to be obscene
  - constitute hate propaganda
  - are of treasonable character, or
  - are of a seditious character.

### Cannabis

Bringing cannabis (marijuana) products across the border remains a criminal offence. Importing and exporting cannabis and/or cannabis products remains illegal if not permitted by Health Canada. Permits or exemptions may be issued for certain purposes, including cannabis for scientific or medical purposes. Despite the legalization of cannabis in Canada, unauthorized cross-border movement of cannabis remains a serious criminal offence subject to arrest and prosecution and could be punishable by imprisonment. Additionally, receiving or sending cannabis in any form into or out of Canada by mail or courier is also illegal.

Personal importation/exportation is described as the import or export of a limited quantity of cannabis, a controlled substance or a precursor by an individual. An individual may only import or export a prescription drug product containing a controlled substance or cannabis for their own continued medical use, or for a person or an animal for whom they are responsible and who is travelling with them, when it is specifically authorized by regulation or when there is an applicable exemption.

# Indirect taxes

5

Indirect taxes

# Federal and Provincial/Territorial Sales Tax Rates[1]

| Provinces and Territories | GST | PST/RST/QST | HST |
|---|---|---|---|
| British Columbia | 5% GST | 7% PST[2] | |
| Alberta | 5% GST | | |
| Saskatchewan | 5% GST | 6% PST[3] | |
| Manitoba | 5% GST | 7% RST[4] | |
| Ontario | | | 13% HST |
| Quebec | 5% GST | 9.975% QST[5] | |
| New Brunswick | | | 15% HST |
| Nova Scotia | | | 15% HST |
| Prince Edward Island | | | 15% HST |
| Newfoundland and Labrador | | | 15% HST |
| Yukon | 5% GST | | |
| Northwest Territories | 5% GST | | |
| Nunavut | 5% GST | | |

**Notes**

(1) Canada's Goods and Services Tax (GST) applies at a rate of 5% to most goods acquired and services rendered in Canada. The Harmonized Sales Tax (HST) is comprised of a 5% federal component and a provincial component that varies by province. Canada also applies a luxury tax at a rate of 10 to 20% on certain new qualifying luxury cars and aircraft selling for over $100,000 and boats selling over $250,000 effective September 1, 2022.

Canada requires many distribution platform operators and non-resident businesses located outside of Canada to register and collect the GST/HST from certain customers on the sales of services, intangibles and goods in certain circumstances, effective July 1, 2021.

Canada is preparing to move forward with a new 3% digital services tax (DST) on certain revenue streams of certain large businesses effective January 1, 2022 as the OECD's Pillar One has not yet been adopted. The proposed DST applies to certain revenues from online business models including online marketplaces, social media, online advertising, and user data.

The Provincial Sales Tax (PST)/Retail Sales Tax (RST) is a single-stage tax that generally applies to the retail sales of goods and certain services to persons who use those goods or services. The rates and rules vary among the provinces.

Quebec applies the Quebec Sales Tax (QST). The QST is generally the same as the GST/HST in application, with certain exceptions.

Other rates and sales taxes may apply.

**Notes, continued**

(2) British Columbia has implemented PST rules that require many operators of digital platforms to register and collect PST from customers on sales facilitated through their platforms effective July 1, 2022.

(3) Saskatchewan has implemented PST rules that require many operators of digital platforms to register, and collect PST from customers on sales facilitated through their platforms effective January 1, 2020.

(4) Manitoba has implemented RST rules that require many operators of digital platforms to register and collect RST from customers on sales facilitated through their platforms effective December 1, 2021.

(5) Quebec has implemented QST rules that require many businesses located outside of Quebec, as well as operators of certain digital platforms, to register and collect QST from certain customers either on January 1, 2019 or September 1, 2019, depending on their circumstances. Quebec has introduced further QST changes, similar to the new GST/HST rules for distribution platform operators and non-resident businesses located outside Quebec, effective July 1, 2021.

# Rebates for Public Service Bodies[1]

| | | | Provincial component of the HST | | | | |
|---|---|---|---|---|---|---|---|
| **Type of Organization** | **GST** | **QST** | **Ont.** | **N.B.** | **N.S.** | **P.E.I.** | **Nfld.** |
| Charities and qualifying non-profit organizations | 50% | 50% | 82% | 50% | 50% | 50%[2] | 50% |
| Hospital authorities, facility operators or external suppliers | 83[3] | 51.5 | 87 | 0[4] | 83[5] | 0 | 0 |
| Municipalities | 100 | 50 | 78 | 57.14 | 57.14 | 0 | 57.14 |
| School authorities | 68 | 47 | 93 | 0[4] | 68 | 0 | 0 |
| Universities and public colleges | 67 | 47 | 78 | 0[4] | 67 | 0 | 0 |

**Notes**

(1) Some entities may qualify to claim public service body rebates for the GST, the provincial component of the HST or the QST paid on eligible purchases and expenses. This table summarizes most of these rebates.

(2) The 2022 Prince Edward Island budget increased the partial rebate for eligible charities and qualifying non-profit organizations to 50% (from 35%) effective January 1, 2023.

(3) The 2022 federal budget expanded the 83% partial rebate for eligible charities or non-profit organizations to include certain health care services delivered by nurse practitioners. This measure applies to rebate claim periods ending after April 7, 2022 for tax paid or payable after that date.

(4) New Brunswick is replacing the 100% government entity rebate with a 100% public service body rebate for eligible hospitals, school authorities and public colleges effective April 1, 2024.

(5) In Nova Scotia, the rebate for the provincial component of the HST of 83% applies to hospital authorities only.

# Prescribed Interest Rates—GST/HST and QST

| | GST/HST | | QST | |
|---|---|---|---|---|
| | Tax Refunds | Tax Debts | Tax Refunds | Tax Debts |
| **2022** | | | | |
| January to March | 1.0/3.0% | 5.0% | 0.6% | 5.0% |
| April to June | 1.0/3.0 | 5.0 | 0.6 | 5.0 |
| July to September | 2.0/4.0 | 6.0 | 2.25 | 6.0 |
| October to December | 3.0/5.0 | 7.0 | 3.0 | 7.0 |
| **2023** | | | | |
| January to March | 4.0/6.0 | 8.0 | 3.75 | 9.0 |
| April to June | 5.0/7.0 | 9.0 | 4.25 | 10.0 |
| July to September | 5.0/7.0 | 9.0 | 4.0 | 10.0 |
| October to December | 5.0/7.0 | 9.0 | 4.5 | 10.0 |
| **2024** | | | | |
| January to March | 6.0/8.0 | 10.0 | 5.0 | 10.0 |
| April to June | 6.0/8.0 | 10.0 | 5.0 | 10.0 |

# GST/HST and QST Filing and Assessment Periods[1]

| | Annual Level of Taxable Supplies[2] | | |
|---|---|---|---|
| | Up to $1,500,000 | $1,500,000 to $6,000,000 | Over $6,000,000 |
| Reporting period[3] | Annually | Quarterly | Monthly |
| Optional reporting period[4] | Monthly or quarterly | Monthly | None available |
| Filing due date | Three months after end of annual reporting period[5] | One month after end of reporting period | One month after end of reporting period |
| Assessment period[6] | 4 years | 4 years | 4 years |
| Period for Notice of Objection | 90 days | 90 days | 90 days |
| Period for Notice of Appeal[7] | 90 days | 90 days | 90 days |

**Notes**

(1) Some of the information in the table may not apply to certain non-resident businesses and distribution platform operators that are registered under the GST/HST and QST simplified registration systems. Specific rules may apply under the GST/HST and QST simplified registration systems.

(2) Taxable supplies include those that are zero-rated. Some supplies, however, may be excluded for the purpose of these calculations.

(3) Listed financial institutions can generally remain annual filers, notwithstanding that their taxable supplies made may exceed the threshold amounts for quarterly or monthly filing.

(4) In order to use the optional reporting period, an election must generally be filed at the start of the year.

(5) For GST/HST and QST reporting, an individual with an annual reporting period, with business income and a December 31 year-end, must pay by April 30 and file by June 15. Special rules also apply for some financial institutions.

(6) The assessment period is generally 4 years, however this period may be extended in some circumstances, including for certain financial institutions as well as in the case of fraud or misrepresentation attributable to neglect, carelessness or wilful default.

(7) After the Canada Revenue Agency or Revenu Quebec has confirmed the Notice of Assessment or Reassessment, the period to file an appeal to the appropriate court is generally 90 days.

# Selected Penalty Provisions—GST/HST and QST

| Description | GST/HST Penalty | QST Penalty |
|---|---|---|
| Failure to file a return by due date | 1% of unpaid tax plus 0.25% per complete month (not exceeding 12) while the return remains outstanding | $25 per day to a maximum of $2,500 |
| Failure to remit tax by due date | No penalty (interest only) | 7%–15% of the tax payable[1] |
| Failure to provide information | $100 for each failure | $100 for each failure |
| Failure to provide amounts as and when required on the GST/HST and QST annual information returns for financial institutions | For each failure, the lesser of:<br>• $1,000 and<br>• 1% of difference between amounts (or 1% of total of tax collectible and ITC claimed depending on the amount) | For each failure, lesser of:<br>• $1,000 and<br>• 1% of difference between amounts (or 1% of total of tax collectible and ITR claimed depending on the amount) |
| False statement or omissions attributable to gross negligence | Greater of $250 and 25% of the reduction in tax | 50% of the tax benefit |
| Penalties for third parties | Greater of:<br>• $1,000 and<br>• the lesser of 50% of the tax benefit and the total of $100,000 plus compensation | Greater of:<br>• $1,000 and<br>• the lesser of 50% of the tax benefit and the total of $100,000 plus compensation |

**Note**

(1) In general, where the amount is no more than seven days late, a penalty of 7% applies. Where the amount is between eight and 14 days late, a penalty of 11% applies. In all other cases, a 15% penalty applies.

# Provincial Sales Tax/Retail Sales Tax Rates[1]

| | British Columbia[2] | Saskatchewan[3] | Manitoba |
|---|---|---|---|
| General sale or lease of goods and taxable services | 7% | 6% | 7% |
| Passenger vehicles: | | | |
| Less than $55,000 | 7 | 6 | 7 |
| From $55,000 to $55,999.99 | 8 | 6 | 7 |
| From $56,000 to $56,999.99 | 9 | 6 | 7 |
| From $57,000 to $124,999.99 | 10 | 6 | 7 |
| From $125,000 to $149,999.99 | 15 | 6 | 7 |
| $150,000 or more | 20 | 6 | 7 |
| Alcoholic beverages | 10 | 10[4] | 7 |
| Insurance[5] | 0 | 6 | 7 |

**Notes**

(1) This table serves only as a guide. The applicable legislation and administrative policies should be consulted as specific rules and exceptions within these broad categories may apply.

(2) In British Columbia, the thresholds may vary for zero-emission vehicles.

(3) Saskatchewan expanded the tax base of its provincial sales tax to include certain services related to real property and certain insurance premiums.

(4) Saskatchewan levies a 10% tax on alcoholic beverages as the Liquor Consumption Tax.

(5) In Ontario, a 13% HST applies on most taxable goods and services. Generally, the HST does not apply to insurance premiums. However, Ontario applies an 8% RST on many insurance premiums and Quebec applies a 9% tax on many insurance premiums.

Newfoundland and Labrador generally applies RST at 15% on insurance products. Certain exclusions apply, including automobile insurance and personal property insurance.

Other insurance premium related taxes may also apply in various provinces.

# Prescribed Interest Rates—PST/RST[1]

| | British Columbia[2] (PST) | Saskatchewan[3] (PST) | Manitoba[4] (RST) |
|---|---|---|---|
| **2022** | | | |
| January to March | 5.45% | 5.45% | 5.45% |
| April to June | 5.70 | 5.45 | 5.45 |
| July to September | 6.70 | 6.70 | 6.70 |
| October to December | 8.45 | 6.70 | 6.70 |
| **2023** | | | |
| January to March | 9.45 | 9.45 | 9.45 |
| April to June | 9.70 | 9.45 | 9.45 |
| July to September | 9.95 | 9.95 | 9.95 |
| October to December | 10.20 | 9.95 | 9.95 |
| **2024** | | | |
| January to March | 10.20 | 10.20 | 10.20 |
| April to June | 10.20 | 10.20 | 10.20 |

**Notes**

(1) The rates indicated in the table apply to tax debts.

(2) In British Columbia, the rates for tax refunds are generally 5% less than those for tax debts.

(3) In Saskatchewan, interest may be paid only on certain tax refunds at a rate less than the rate for tax debts.

(4) In Manitoba, no interest is paid on tax refunds.

# Other taxes and levies

# Provincial Payroll and Health Fund Taxes[1]—2024

| | British Columbia Employer Health Tax[5] | Manitoba Health and Post-Secondary Education Tax | Ontario Employer Health Tax |
|---|---|---|---|
| Tax rate | 1.95%[6] | 2.15%[8] | 1.95% |
| Exempt remuneration[2] | $1,000,000[6] | $2,250,000 | $1,000,000[10] |
| Instalment period | Quarterly[7] | Monthly[9] | Monthly[11] |
| Annual filing deadline | March 31 | March 31 | March 15 |
| Assessment period[3] | 6 years | 6 years | 4 years |
| Refund period | — | 2 years | 4 years |
| Objection deadline[4] | — | 90 days | 180 days |

Refer to notes on the following pages.

| | Quebec Health Services Fund[12] | Newfoundland Health and Post-Secondary Education Tax |
|---|---|---|
| Tax rate | 4.26%[13] | 2.00% |
| Exempt remuneration[2] | — | $2,000,000 |
| Instalment period | Monthly[14] | Monthly[15] |
| Annual filing deadline | February 28 | N/A[16] |
| Assessment period[3] | 4 years | 4 years |
| Refund period | 4 years | 3 years |
| Objection deadline[4] | 90 days | 90 days |

Refer to notes on the following pages.

**Notes**

(1) Payroll, in general, includes all payments, benefits and allowances included in computing employment income under the Income Tax Act. Payroll may also be deemed to include such payments made by associated employers.

(2) Each province has specific eligibility criteria to obtain the exemption. In most cases, the exemption must be prorated among associated corporations and certain corporate partnerships.

(3) The assessment period may be extended if the employer is not registered for this tax or where there is suspicion of withholding or misrepresenting information on the returns.

(4) The objection deadline generally starts on the date of mailing of the Notice of Assessment.

(5) For purposes of the British Columbia Employer Health Tax, a joint venture is not considered to be an employer. Each individual venturer is considered to be an employer.

(6) The Employer Health Tax is calculated as a percentage of payroll and varies based on the employer's annual payroll.

The 2024 British Columbia budget increased the employer health tax exemption threshold to $1 million (from $500,000). The province's budget also increased the tax rate for B.C. remuneration between $1 million and $1.5 million to 5.85% (from 2.925%). These changes are effective January 1, 2024.

Therefore, the British Columbia Employer Health Tax rates are as follows:

| Before January 1, 2024 | | After December 31, 2023 | |
|---|---|---|---|
| **Total payroll[1]** | **Payroll tax** | **Total payroll[1]** | **Payroll tax** |
| $0 to $500,000 | $0 | $0 to $1,000,000 | $0 |
| $500,000 to $1,500,000 | (Payroll - $500,000) x 2.925% | $1,000,000 to $1,500,000 | (Payroll - $1,000,000) x 5.85% |
| Over $1,500,000 | Payroll x 1.95% | Over 1,500,000 | Payroll x 1.95% |

[1]Associated employers must aggregate their payroll costs to apply the thresholds.

The annual thresholds for charitable or non-profit employers is $1.5 million and $4.5 million. If you are associated with other employers, you must share the annual exemption. If the combined British Columbia remuneration of the associated employers is greater than $1.5 million, there is no exemption available to any of the employers.

(7) Instalments are due during the calendar year on June 15, September 15, December 15 and March 31. If the amount of employer health tax in the previous calendar year exceeded $2,925, quarterly instalment payments are required based on the lesser of 25% of the previous year's tax or 25% of the current year's tax.

**Notes, continued**

(8) Manitoba increased the exemption threshold for a business's annual payroll to $2.25 million (from $2 million) of annual remuneration and increased the annual payroll threshold below which employers pay a reduced rate to $4.5 million (from $4 million), effective January 1, 2024.

Therefore, the Manitoba Health and Post Secondary Education Tax rates for 2024 are as follows:

| Total yearly payroll | Tax rate |
|---|---|
| $2.25 million or less | Exempt |
| Between $2.25 million and $4.5 million | 4.3% on the amount in excess of $2.25 million |
| Over $4.5 million | 2.15% of the total payroll with no exemption amount |

If you are associated with other employers, you must share the $2.25 million annual exemption based on the total combined yearly payroll.

(9) Monthly instalments and returns are due on the 15th of the month following the month in which the remuneration is paid.

(10) Employers with annual Ontario payrolls over $5 million, including groups of associated employers, are not eligible for the exemption. The $5 million threshold does not apply to eligible registered charities.

(11) Monthly instalments and returns are due on the 15th of the month following the month in which the remuneration is paid. Employers with annual payroll of $1,200,000 or less are not required to make instalments. Instead, they must remit the tax once a year along with their annual return.

(12) In addition to the Health Services Fund, Quebec also requires an employer to contribute to the Workforce Skills Development and Recognition Fund.

Employers whose payroll exceeds $2 million must allot at least 1% of their total payroll to eligible training expenditures. Employers whose eligible training expenditures are lower than the minimum required participation must make a contribution equal to the difference between the two amounts. The employer must remit this contribution by the last day of February of the following year.

Most Quebec employers are also subject to the contribution related to labour standards. For 2024, remuneration of up to $94,000 paid to an employee is generally subject to a contribution rate of 0.06%. The employer must remit this contribution by the last day of February in the following year.

**Notes, continued**

(13) The Quebec health services fund contribution rates for 2024 are as follows:

| Rates | Payroll of $1,000,000 or less | Payroll of $1,000,001 to $7,499,999 | Payroll of $7,500,000 or more |
|---|---|---|---|
| Rates for employers whose payroll is more than 50% attributable to activities in the primary and manufacturing sectors | 1.25% | 0.7869% + (0.4631% x payroll/ $1,000,000) | 4.26% |
| Rates for all employers other than public sector employers and employers whose payroll is more than 50% attributable to activities in the primary and manufacturing sectors | 1.65% | 1.2485% + (0.4015% x payroll/ $1,000,000) | 4.26% |
| Rate for public sector employers | 4.26% | 4.26% | 4.26% |

(14) Monthly instalments and returns are due on the 15th of the month following the month in which the remuneration is paid. However, the frequency of instalments will depend upon an employer's average monthly remittances of income tax, Quebec Pension Plan contributions and Health Services Fund.

(15) Monthly instalments and returns are due on the 20th of the month following the month in which the remuneration is paid.

(16) There is no requirement to file annual returns for the Newfoundland Health and Post-Secondary Education Tax. Returns and instalments are remitted on a monthly basis.

# Land Transfer Taxes, Registration Fees and Speculation and Vacancy Taxes[1]

| | Legislation | Property Value | Rate of Tax or Fee[2] |
|---|---|---|---|
| Federal[3] | Underused Housing Tax Act | All residential property situated in Canada | 1.0% |
| British Columbia[4,7] | Property Transfer Tax Act | General | |
| | | Up to $200,000 | 1.0% |
| | | 200,001–2,000,000 | 2.0 |
| | | Over 2,000,000 | 3.0 |
| | | Residential Property | |
| | | Up to $200,000 | 1.0% |
| | | 200,001–2,000,000 | 2.0 |
| | | 2,000,001–3,000,000 | 3.0 |
| | | Over 3,000,000 | 5.0 |
| British Columbia—Specified Areas[5,7] | Property Transfer Tax Act | All values of residential property acquired by foreign purchasers | 20% |
| British Columbia—Specified Areas[6,7] | Speculation and Vacancy Tax Act | All values of certain vacant residential property | 0.5% or 2.0% |
| Alberta[8] | Land Titles Act | All values | $50 + 0.04% |
| Saskatchewan[8] | Land Titles Act | Up to $500 | — |
| | | 501–6,300 | $25 |
| | | Over 6,300 | 0.4% |
| Manitoba[9] | Tax Administration and Miscellaneous Taxes Act | Up to $30,000 | $128 to $135 |
| | | 30,001–90,000 | 0.5% |
| | | 90,001–150,000 | 1.0 |
| | | 150,001–200,000 | 1.5 |
| | | Over 200,000 | 2.0 |
| Ontario[10] | Land Transfer Tax Act | General | |
| | | Up to $55,000 | 0.5% |
| | | 55,001–250,000 | 1.0 |
| | | 250,001–400,000 | 1.5 |
| | | Over 400,000 | 2.0 |
| | | Single Family Residence(s) | |
| | | Up to $55,000 | 0.5 |
| | | 55,001–250,000 | 1.0 |
| | | 250,001–400,000 | 1.5 |
| | | 400,001–2,000,000 | 2.0 |
| | | Over 2,000,000 | 2.5 |
| Ontario[11] | Land Transfer Tax Act | All values of residential property acquired by foreign purchasers | 25% |

Refer to notes on the following pages.

| | Legislation | Property Value | Rate of Tax or Fee[2] |
|---|---|---|---|
| Ontario—City of Toronto[12] | Toronto Municipal Code Taxation, Municipal Land Transfer Tax | General | $96.68 + HST + |
| | | Up to $55,000 | 0.5% |
| | | 55,001–250,000 | 1.0 |
| | | 250,001–400,000 | 1.5 |
| | | Over 400,000 | 2.0 |
| | | Single Family Residence(s) | |
| | | Up to $55,000 | 0.5 |
| | | 55,001–250,000 | 1.0 |
| | | 250,001–400,000 | 1.5 |
| | | 400,001–2,000,000 | 2.0 |
| | | 2,000,001–3,000,000 | 2.5 |
| | | 3,000,001–4,000,000 | 3.5 |
| | | 4,000,001–5,000,000 | 4.5 |
| | | 5,000,001–10,000,000 | 5.5 |
| | | 10,000,001–20,000,000 | 6.5 |
| | | Over 20,000,000 | 7.5 |
| Quebec—Other than City of Montreal[13] | An Act Respecting Duties on Transfers of Immovables | Up to $58,900 | 0.5% |
| | | 58,901–294,600 | 1.0 |
| | | Over 294,600 | 1.5 |
| Quebec—City of Montreal[13] | An Act Respecting Duties on Transfers of Immovables | Up to $58,900 | 0.5% |
| | | 58,901–294,600 | 1.0 |
| | | 294,601–552,300 | 1.5 |
| | | 552,301–1,104,700 | 2.0 |
| | | 1,104,701–2,136,500 | 2.5 |
| | | 2,136,501–3,113,000 | 3.5 |
| | | Over 3,113,000 | 4.0 |
| New Brunswick[14] | Real Property Transfer Act | All values | $85 + 1.0% |
| Nova Scotia[15] | Land Registration Act | All values | $100 + 0% to 1.5% |
| | Financial Measures (2022) Act | All values | 5% |
| Prince Edward Island[16] | Lands Protection Act | All values | 1.0% (Min. $550) |
| | Real Property Transfer Tax Act | All values if over $30,000 | $77.25 to $463.65 + 1.0% |
| Newfoundland and Labrador[17] | Registration of Deeds Act | Up to $500 | $100 + |
| | | Over 500 | 0.4% |

Refer to notes on the following pages.

| | Legislation | Property Value | Rate of Tax or Fee[2] |
|---|---|---|---|
| Yukon[18] | Land Titles Act | All values | $50 to $750 + Assurance Fund Fee |
| Northwest Territories[19] | Land Titles Act | Up to $1,000,000<br>Over 1,000,000 | 0.2% (Min. $100)<br>0.15% |
| Nunavut[20] | Land Titles Act | Up to $1,000,000<br>Over 1,000,000 | 0.15% (Min. $60)<br>0.1% |

**Notes**

(1) Municipal vacant home taxes are not covered in this table.

(2) The rates of tax shown in the table are graduated rates. For example, the land transfer tax levied on the transfer of a property in Manitoba valued at $150,000 is calculated as $135 + (0.5% × 60,000) + (1.0% × 60,000) = $1,035.

(3) Certain Canadian and foreign owners of residential property in Canada have tax filing obligations under the new Underused Housing Tax (UHT) rules. Generally, certain Canadian private companies and individuals, as well as non-resident owners, must file an annual UHT return for certain types of residential property they own, and pay a 1% annual UHT based on the taxable value of that property if applicable.

Affected owners that qualify for one of the ownership exemptions may be exempt from paying the 1% annual UHT on a reportable residential property but must still file the annual UHT return for that property. Affected owners face significant penalties for not filing UHT returns even if no UHT is owing.

Affected owners must file a separate UHT return, and pay any related UHT owing for a particular calendar year, by April 30 of the following year. However, the CRA has announced that it will waive penalties and interest for any late-filed UHT return for the 2022 calendar year and for any late-paid UHT, provided the affected owner files any required returns and pays any related UHT by April 30, 2024. Note that Finance proposed several changes to these broad rules effective for the 2022 or 2023 calendar years, which may result in fewer taxpayers having a filing obligation.

**Notes, continued**

(4) British Columbia levies land transfer tax on registered transfers or grants of land, based on the fair market value of the property being transferred. Citizenship information must be disclosed when registering a taxable transaction. Where both property transfer and provincial sales taxes have been paid, a refund of land transfer tax may be available.

Exemptions to the British Columbia property transfer tax may apply to certain mortgages, leases under 30 years, amalgamations, first-time buyers of qualifying residential property, registration of multiple leases on the same property, and various types of transfers of property.

British Columbia's First Time Home Buyers' Program may reduce the amount of property transfer tax on the purchase of a first home. The fair market value threshold for eligible residential property purchased on or after April 1, 2024 under the program is $835,000 and the fair market value threshold for a partial exemption under the program is $860,000. Properties purchased before April 1, 2024 must have a fair market value of $500,000 or less to receive the full exemption, or a fair market value of $525,000 or less to receive a partial exemption.

The fair market value threshold for land plus the cost to build a new home under the program is also $860,000 if the property is registered on or after April 1, 2024, or $525,000 if registered before April 1, 2024.

Newly constructed homes located in British Columbia whose title is registered on or after April 1, 2024 with a value of up to $1,100,000 may be exempt from property transfer tax when purchased for use as a principal residence. A partial exemption may also be available for homes with a value between $1,100,000 and $1,150,000. If title is registered before April 1, 2024, fair market value must be $750,000 or less for the exemption, or valued between $750,000 and $800,000 for a partial exemption. The land must be 0.5 hectares or smaller. Buyers do not have to be first-time owners of residential property to qualify for this exemption but must be Canadian citizens or permanent residents.

New qualifying purpose-built rental buildings may qualify for an exemption from the additional 2% property transfer tax applicable to residential property values greater than $3,000,000, effective January 1, 2024. Purpose-built rental buildings are buildings that are non-stratified, rented on a monthly basis or longer for at least 10 years with at least 4 apartments.

Extending this, new qualifying purpose-built rental buildings purchased between January 1, 2025 and December 31, 2030 may qualify for an exemption from the general property transfer tax.

Change in use of the rental accommodation must be reported to the administrator in writing within 92 days of the change. Change in use includes:

- No longer renting or offering the entire residential portion of the building for rent on a monthly or longer basis,
- The residential portion of the building is no longer classified as residential (Class 1),
- The building no longer contains at least 4 separate apartments, or
- The building is stratified.

**Notes, continued**

(5) British Columbia levies an additional 20% property transfer tax on registered transfers of certain residential property acquired by a foreign national (an individual who is not a citizen or permanent resident of Canada), a foreign corporation or a taxable trustee. The tax is based on the fair market value of the property.

This additional tax only applies to property located in whole or in part in the Metro Vancouver Regional District (MVRD), the Capital Regional District, the Fraser Valley Regional District, the Regional District of Central Okanagan, and the Regional District of Nanaimo (excluding certain First Nations' lands and prescribed areas).

The MVRD includes Anmore, Belcarra, Bowen Island, Burnaby, Coquitlam, Delta, Langley City and District, Lion's Bay, Maple Ridge, New Westminster, North Vancouver City and District, Pitt Meadows, Port Coquitlam, Port Moody, Richmond, Surrey, Vancouver, West Vancouver, White Rock and Electoral Area A.

Exemptions are available to foreign national individuals confirmed under the British Columbia Provincial Nominee Program, transfers resulting from an amalgamation, transfers to a surviving joint tenant, certain transfers following bankruptcy and qualifying Canadian-controlled limited partnerships that register a property transfer at the Land Title Office on or after June 1, 2020.

An anti-avoidance rule applies to any transactions that result directly or indirectly in a tax benefit, or are structured to reduce or avoid this tax.

(6) British Columbia imposes an additional annual property tax (a "speculation and vacancy" tax), on residential property owned directly or indirectly by foreign and domestic homeowners who, together with their spouse, report less than 50% of their total household income in Canada (a "satellite family").

This tax applies to residential property located in Metro Vancouver, the Capital Regional District (excluding Salt Spring Island, the Southern Gulf Islands and Juan de Fuca), Kelowna and West Kelowna, Nanaimo-Lantzville, Abbotsford, Chilliwack, Mission, Duncan, North Cowichan, Squamish, Ladysmith, Lake Cowichan and Lions Bay. This tax will also apply for the first time to residential property located in Courtney, Kamloops, Parksville, Penticton, Salmon Arm, Vernon, Coldstream, Lake Country, Peachland, Summerland, Comox, Qualicum Beach, and Cumberland for the 2024 tax year.

The speculation and vacancy tax rate varies depending on where the owner resides and reports income. The speculation and vacancy tax rate is:

- 0.5% for residents of British Columbia and other Canadian citizens or permanent residents of Canada who report the majority of their total household income in Canada, or
- 2% for all other registered homeowners who do not report the majority of their total household income in Canada (i.e., foreign owners or satellite families).

Exemptions are available for most principal residences, qualifying long-term rental properties and other special circumstances.

A portion of the speculation and vacancy tax payable by a non-British Columbia resident may be offset with a non-refundable tax credit if the property owner reports income in the province.

A vacant second home of a British Columbia resident will be eligible for a non-refundable tax credit that is immediately applied against the speculation tax. This credit will offset a total of $2,000 in speculation tax payable, ensuring that speculation tax should not apply to a second home valued up to $400,000.

**Notes, continued**

(7) British Columbia has proposed a new home flipping tax, coming into effect for sales occurring on or after January 1, 2025. Property sold on or after this date may be subject to the tax if it has been owned for less than 730 days prior to sale, unless an exemption applies.

The tax will generally apply to the sale of housing units, properties zoned for residential use or the right to acquire such properties. For presale contracts, the date the contract is signed is considered to be the date of purchase for the purposes of the tax.

The tax is equal to 20% of the net taxable income earned from the disposition of property held less than 366 days, and is reduced on a straight-line basis for properties held more than 365 days until it reaches zero for properties held at least 730 days prior to the sale.

Where this tax applies, taxpayers must also file a BC home flipping tax return within 90 days of the sale.

(8) Alberta and Saskatchewan levy a registration fee on transfers of interests in land, mortgages and other charges based on the value of the property being transferred. The fees indicated in the table apply to transfers of land. The fees applicable to mortgages and other charges generally differ from the land transfer fee.

The 2024 Alberta budget proposed to replace the current registration fee with a proposed Land Titles Registration Levy set at $5 per $5,000 of value for property transfers and mortgage registrations. The effective date of the proposal is to be determined.

(9) Manitoba levies land transfer tax on registered transfers of land based on the value of the property being transferred.

Exemptions may apply to certain mortgages, leases, dissolutions or wind-ups of wholly owned subsidiaries, and various other transfers of property.

General anti-avoidance rules may apply to transactions where the conveyance of title is registered in order to reduce, avoid or defer tax in a manner that is an avoidance transaction. The 2024 Manitoba budget proposed new administrative penalties ranging from 10% to 100% of the outstanding tax due that may be imposed for a failure to pay land transfer tax when due.

Land titles registration fees vary depending if they are submitted electronically or on paper.

**Notes, continued**

(10) Ontario levies land transfer tax (OLTT) on dispositions of beneficial interests in land, whether or not the transfer is registered, based on the value of the consideration furnished.

Exemptions to the OLTT may apply to certain mortgages, leases under 50 years, certain unregistered dispositions, certain transfers between spouses and other various other transfers of property. A deferral and ultimate cancellation of land transfer tax is available on certain transfers between affiliated corporations.

First-time buyers of newly constructed or resale residential property may be eligible foa maximum rebate of $4,000. The purchaser must be a Canadian citizen or permanent resident of Canada to receive a refund. A qualifying purchaser may not claim their spouse's interest for the first-time homebuyers refund if the spouse is not a Canadian citizen or permanent resident of Canada.

A general anti-avoidance rule applies to deny a tax benefit for transactions that unreasonably reduce, avoid, defer or cancel land transfer tax, unless undertaken or arranged primarily for bona fide purposes other than to obtain the tax benefit.

Persons who purchase or acquire land that contains at least one and not more than six single family residences, or agricultural land, are required to provide additional information in prescribed form, including but not limited to:

- Whether the home will be occupied by the purchaser, or their family member(s), as their principal residence,
- Whether the property is intended to be leased out
- Information about residency, citizenship and permanent resident status where the
- purchaser is an individual, and
- Information about incorporation, ownership and control where the purchaser is a corporation.

The 2024 Ontario budget announced that Ontario will introduce a provincial framework for implementing municipal Vacant Home Taxes.

(11) Ontario levies an additional non-resident speculation tax on purchases or acquisitions of residential property by a foreign national (an individual who is not a citizen or permanent resident of Canada), a foreign corporation or a taxable trustee. The tax is based on the value of the consideration for the property and applies to all property located in Ontario. The tax will also apply to the standalone purchase of a parking space or storage unit, effective March 27, 2024.

The tax applies to the transfer of land which contains at least one and not more than six family residences including detached and semi-detached houses, duplexes, townhouses, and condominiums. The tax does not apply to other types of land such as multi-residential rental apartments with more than six units, agricultural land, commercial land or industrial land.

An anti-avoidance rule applies to any transactions that result directly or indirectly in a tax benefit or are structured to reduce or avoid this tax.

Exemptions may be available to foreign nationals confirmed under the Ontario Immigrant Nominee Program, on whom refugee protection is conferred, and who are in certain spousal arrangements.

**Notes, continued**

(12) In addition to OLTT, the City of Toronto levies a Municipal Land Transfer Tax (MLTT) on dispositions of beneficial interests in land located in the City of Toronto. MLTT rates are harmonized with OLTT rates.

Exemptions apply to certain Ontario government bodies, school boards, universities, colleges, hospitals, nursing homes, the Toronto Community Housing Corporation, the Toronto Economic Development Corporation and the City of Toronto. All conveyances exempt from OLLT are also exempt from MLTT.

First-time buyers of newly constructed or resale residential property may be eligible for a maximum rebate of $4,475. Only Canadian citizens or permanent residents of Canada are eligible for the rebate.

(13) Quebec levies land transfer duties (commonly referred to as “mutations tax”) based on the greatest of:

- The consideration furnished,
- The consideration stipulated, and
- The market value of the immovable property at the time of its transfer.

Mutations tax is payable on the transfer of a beneficial interest in land, whether or not the transfer is registered.

A municipality may, by by-law, set a rate higher for any part of the basis of imposition which exceeds $500,000. Such rate may not exceed 3%, except in the case of the City of Montreal.

Exemptions may apply to certain mortgages, leases under 40 years, amalgamations, transfers between family members or former spouses, and various other transfers of property. Specific conditions and disclosure requirements must be met for certain transfers among family members and closely related corporations.

Partnerships in Quebec are also subject to mutations tax on their acquisition of immovable property. Certain exemptions may be available, including transfers between a corporation and a partnership, or an individual and a partnership.

Special duties may apply to immovable property purchased or received through a transfer if either:

- The deed evidencing the transfer is not registered in the land register by the 90th day after the date of the transfer and not exempted, or
- Where if the transfer was made from a natural person (the seller) to a legal person (the buyer) or between closely related legal persons, one or more of the conditions for exemption from paying transfer duties ceases to be met within 24 months following the date of the transfer.

Where any of the above situations are met, a notice of disclosure must be filed with the municipality where the immovable property is located.

The amount of the special duty is either 50%, if exempt from paying the transfer duties, or 150% of the transfer duties.

Transfer duties do not have to be paid if the special duties apply.

**Notes, continued**

(14) New Brunswick levies land transfer tax on registered transfers of land based on the greater of the value of the property being transferred and the value of consideration furnished.

Exemptions may apply to certain mortgages, leases under 25 years, and various other transfers of property.

(15) Nova Scotia levies land transfer tax on deeds transferring land if required by municipal by-law, based on the rate stipulated by the municipality and the value of the property being transferred. Exemptions may apply to certain mortgages, leases under 21 years, and transfers between family members.

A non-resident deed transfer tax equal to 5% of the greater of the sale price and the assessed value of certain residential property may be levied on registrations tendered on or after April 1, 2022, if the registration grants an ownership interest in the residential property of more than 50% to one or more non-residents.

Exemptions to the non-resident deed transfer tax include transfers of residential property between spouses or common-law partners, transfers to a foreclosing mortgagee, and other specific situations.

(16) Prince Edward Island levies a registration fee on applications for land-holding permits by resident corporations, or non-resident individuals or corporations, for the purchase of land if the aggregate land holdings exceed five acres or includes shore frontage exceeding 165 feet. The minimum fee is $550. The fee, however, is limited to $550 on certain transfers between non-resident related persons and corporations.

Registration of a deed transferring real property is subject to real property transfer tax based on the greater of the consideration for the transfer and the assessed value.

Exemptions may apply to property if the greater of these two amounts does not exceed $30,000. Exemptions may also apply to certain mortgages, first-time home buyers, certain transfers between family members and various other transfers of property.

(17) Newfoundland and Labrador levies a registration fee on transfers of interests in land, mortgages and other charges, based on the value of the property being transferred.

(18) Yukon levies a land transfer fee on the registration of legal title based on the value of the property.

In addition, an assurance fund fee applies if the purchase price is greater than the value of the property at the time of its last transfer ($20 for all transactions up to $10,000, plus $10 for each additional $10,000, or part, of the additional declared value since the last transfer).

(19) Northwest Territories levies a land transfer fee on the registration of legal title based on the value of the property.

(20) Nunavut levies a land transfer fee on the registration of legal title based on the value of the property.

# Probate Fees—2024[1]

| Value of Estate | | | | | |
|---|---|---|---|---|---|
| **From** | **To** | **B.C.** | **Alta.** | **Sask.** | **Man.** |
| $0 | $5,000 | — | $35 | $7 per $1,000 rounded to the nearest $1,000 | — |
| 5,001 | 10,000 | — | ✓ | ✓ | — |
| 10,001 | 15,000 | — | $135 | ✓ | — |
| 15,001 | 20,000 | — | ✓ | ✓ | — |
| 20,001 | 25,000 | — | ✓ | ✓ | — |
| 25,001 | 50,000 | $6 per $1,000 or part thereof in excess of $25,000 | $275 | ✓ | — |
| 50,001 | 100,000 | $150 + $14 per $1,000 or part thereof in excess of $50,000 | ✓ | ✓ | — |
| 100,001 | 125,000 | ✓ | ✓ | ✓ | — |
| 125,001 | 150,000 | ✓ | $400 | ✓ | — |
| 150,001 | 250,000 | ✓ | ✓ | ✓ | — |
| 250,001 | and over | ✓ | $525 | ✓ | — |
| **Probate fee for estate of $1,000,000** | | **$13,450** | **$525** | **$7,000** | **$0** |

In the table, the "✓" mark indicates that the applicable rate is the same as that indicated above.

Refer to notes on the following pages.

| Value of Estate | | | | | | |
|---|---|---|---|---|---|---|
| **From** | **To** | **Ont.** | **Que.** | **N.B.** | **N.S.** | **P.E.I.** |
| $0 | $5,000 | — | — | $25 | $85.60 | $50 |
| 5,001 | 10,000 | — | — | $50 | ✓ | ✓ |
| 10,001 | 15,000 | — | — | $75 | $215.20 | $100 |
| 15,001 | 20,000 | — | — | $100 | ✓ | ✓ |
| 20,001 | 25,000 | — | — | $100 + $5 per $1,000 in excess of $20,000 | ✓ | ✓ |
| 25,001 | 50,000 | — | — | ✓ | $358.15 | $200 |
| 50,001 | 100,000 | $15 per $1,000 in excess of $50,000 | — | ✓ | $1,002.65 | $400 |
| 100,001 | 125,000 | ✓ | — | ✓ | $1,002.65 + $16.95 per $1,000 in excess of $100,000 | $400 + $4 per $1,000 in excess of $100,000 |
| 125,001 | 150,000 | ✓ | — | ✓ | ✓ | ✓ |
| 150,001 | 250,000 | ✓ | — | ✓ | ✓ | ✓ |
| 250,001 | and over | ✓ | — | ✓ | ✓ | ✓ |
| **Probate fee for estate of $1,000,000** | | **$14,250** | **$0** | **$5,000** | **$16,257.65** | **$4,000** |

In the table, the "✓" mark indicates that the applicable rate is the same as that indicated above.

Refer to notes on the following page.

| Value of Estate | | | | | |
|---|---|---|---|---|---|
| **From** | **To** | **Nfld.**[2] | **Y.T.** | **N.W.T.** | **Nvt.** |
| $0 | $5,000 | $60 + $0.60 per $100 in excess of $1,000 | — | $30 | $30 |
| 5,001 | 10,000 | ✓ | — | ✓ | ✓ |
| 10,001 | 15,000 | ✓ | — | $110 | $110 |
| 15,001 | 20,000 | ✓ | — | ✓ | ✓ |
| 20,001 | 25,000 | ✓ | — | ✓ | ✓ |
| 25,001 | 50,000 | ✓ | — | $215 | $215 |
| 50,001 | 100,000 | ✓ | — | ✓ | ✓ |
| 100,001 | 125,000 | ✓ | — | ✓ | ✓ |
| 125,001 | 150,000 | ✓ | — | $325 | $325 |
| 150,001 | 250,000 | ✓ | — | ✓ | ✓ |
| 250,001 | and over | ✓ | — | $435 | $425 |
| **Probate fee for estate of $1,000,000** | | **$6,054** | **$0** | **$435** | **$425** |

In the table, the "✓" mark indicates that the applicable rate is the same as that indicated above.

**Notes**

(1) Probate fees are charged by the courts in each province/territory, with the exception of Manitoba, Quebec and Yukon, to grant letters probate that confirm that the deceased's will is valid and that the executor has the authority to administer the estate. Generally, probate fees are payable on the value of all property of the deceased that passes to the executor or administrator of the estate through the deceased's will. Each province/territory has its own specific rules in determining if any exceptions exist. The applicable provincial/territorial statute should be consulted for additional details, in particular for any application fees.

(2) In Newfoundland and Labrador, estates valued at less than $1,000 have a minimum probate fee of $60.

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