



Personal Tax Rates

Combined Top Marginal Tax Rates For Individuals—2025

	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	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	52.00	26.00/34.67	36.54	47.92
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 2024 federal budget proposed to increase the lifetime capital gains exemption limit for qualified farm property, qualified fishing property and qualified small business corporation shares to \$1.25 million (from \$1,016,836), applicable 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 also 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 would harmonize its rules to also increase the province's capital gains inclusion rate to 66.67%. The table above reflects the top marginal tax rate for capital gains subject to the 50% inclusion rate and the proposed 66.67% inclusion rate.

In addition, the 2024 federal budget proposed to introduce the Canadian Entrepreneurs' Incentive that would 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. Draft legislation released on August 12, 2024 proposed to phase in the Canadian Entrepreneurs' Incentive by increments of \$400,000 per year beginning in 2025.

Note that none of these changes have been enacted as of December 31, 2024.

- (2) Prince Edward Island increased the province's top marginal personal tax rate on interest and regular income to 19% (from 18.75%), effective January 1, 2025.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

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Current as of December 31, 2024

Personal Tax Rates 1