



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%	36.54%	48.89%
Alberta	48.00	24.00	34.31	42.30
Saskatchewan	47.50	23.75	29.64	41.34
Manitoba	50.40	25.20	37.79	46.67
Ontario	53.53	26.76	39.34	47.74
Quebec	53.31	26.65	40.11	48.70
New Brunswick	52.50	26.25	32.40	46.83
Nova Scotia ²	54.00	27.00	41.58	49.99
Prince Edward Island ³	52.00	26.00	36.54	47.92
Newfoundland and Labrador	54.80	27.40	46.20	48.96
Yukon	48.00	24.00	28.92	44.05
Northwest Territories	47.05	23.53	28.33	36.82
Nunavut	44.50	22.25	33.08	37.79

Notes

- (1) The rates that apply to capital gains are one-half of the rates that apply to interest and regular income. Although the 2024 federal budget proposed to increase the capital gains inclusion rate for individuals to 2/3 (from 1/2) on the portion of gains realized in excess of \$250,000 for gains realized on or after June 25, 2024, this measure is no longer expected to be implemented.

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. Although it is currently uncertain whether this measure will be implemented, the CRA announced that it will administer the proposed increase to the lifetime capital gains exemption limit to \$1.25 million to qualifying dispositions that occur on or after June 25, 2024.

The 2024 federal budget also proposed to introduce the Canadian Entrepreneurs' Incentive which would allow an individual taxpayer to use a 1/3 capital gains inclusion rate for the disposition of qualifying shares, subject to a lifetime limit of \$2 million in capital gains per individual. It is currently uncertain whether this measure will be implemented.

- (2) Nova Scotia decreased the province's dividend tax credit rate that applies to non-eligible dividends to 1.5% (from 2.99%) of taxable dividends, effective January 1, 2025.
- (3) 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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