



Tax Facts

2025-2026



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Tax Facts

2025-2026

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Individuals

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Individuals

Federal and Provincial/Territorial Income Tax Rates and Brackets for 2025

	Tax Rates	Tax Brackets	Surtax Rates	Surtax Thresholds
Federal ¹	14.50% 20.50 26.00 29.00 33.00	Up to \$57,375 57,376–114,750 114,751–177,882 177,883–253,414 253,415 and over		
British Columbia ²	5.06% 7.70 10.50 12.29 14.70 16.80 20.50	Up to \$49,279 49,280–98,560 98,561–113,158 113,159–137,407 137,408–186,306 186,307–259,829 259,830 and over		
Alberta ³	8.00% 10.00 12.00 13.00 14.00 15.00	Up to \$60,000 60,001–151,234 151,235–181,481 181,482–241,974 241,975–362,961 362,962 and over		
Saskatchewan ⁴	10.50% 12.50 14.50	Up to \$53,463 53,464–152,750 152,751 and over		
Manitoba ⁵	10.80% 12.75 17.40	Up to \$47,000 47,001–100,000 100,001 and over		
Ontario ⁶	5.05% 9.15 11.16 12.16 13.16	Up to \$52,886 52,887–105,775 105,776–150,000 150,001–220,000 220,001 and over	20% 36	\$5,710 7,307
Quebec ⁷	14.00% 19.00 24.00 25.75	Up to \$53,255 53,256–106,495 106,496–129,590 129,591 and over		

Refer to notes on the following pages.

	Tax Rates	Tax Brackets	Surtax Rates	Surtax Thresholds
New Brunswick ⁴	9.40% 14.00 16.00 19.50	Up to \$51,306 51,307–102,614 102,615–190,060 190,061 and over		
Nova Scotia ⁸	8.79% 14.95 16.67 17.50 21.00	Up to \$29,590 29,591–59,180 59,181–93,000 93,001–150,000 150,001 and over		
Prince Edward Island ⁹	9.50% 13.47 16.60 17.62 19.00	Up to \$33,328 33,329–64,656 64,657–105,000 105,001–140,000 140,001 and over		
Newfoundland and Labrador ¹⁰	8.70% 14.50 15.80 17.80 19.80 20.80 21.30 21.80	Up to \$44,192 44,193–88,382 88,383–157,792 157,793–220,910 220,911–282,214 282,215–564,429 564,430–1,128,858 1,128,859 and over		
Yukon ⁴	6.40% 9.00 10.90 12.80 15.00	Up to \$57,375 57,376–114,750 114,751–177,882 177,883–500,000 500,001 and over		
Northwest Territories ⁴	5.90% 8.60 12.20 14.05	Up to \$51,964 51,965–103,930 103,931–168,967 168,968 and over		
Nunavut ⁴	4.00% 7.00 9.00 11.50	Up to \$54,707 54,708–109,413 109,414–177,881 177,882 and over		

Refer to notes on the following page.

Federal and Provincial/Territorial Non-Refundable Tax Credit Rates and Amounts for 2025¹

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 2.7% for 2025.
The federal government proposed to decrease the rate applicable to the lowest tax bracket from 15% to 14.5% for 2025 and to 14% for the 2026 and later taxation years.
- (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 2.8% for 2025.
- (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. However, the province introduced a 2.0% limit that applies to its inflation factor, effective January 1, 2025. The inflation factor for this province is 2.0% for 2025.
Alberta introduced a new 8% personal income tax rate on the first \$60,000 of income, effective January 1, 2025.
- (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 2.7% for 2025.
- (5) Manitoba paused the indexation of the province's tax brackets, beginning with the 2025 tax year.
- (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 2.8% for 2025.
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 2.85% for 2025.
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. Nova Scotia introduced indexation of the province's tax brackets, beginning with the 2026 tax year.
- (9) Prince Edward Island does not index its tax brackets.
Prince Edward Island raised the threshold for the first two personal tax brackets, lowered the tax rates for the first four brackets and increased the tax rate for the highest tax bracket for the 2025 tax year. As a result, the province's top marginal personal tax rate increased 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 2.3% for 2025.

	Federal	B.C.	Alta.	Sask.	Man.
Tax rate applied to credits ¹	14.50%	5.06%	8.00%	10.50%	10.80%
Indexation factor ²	2.7%	2.8%	2.0%	2.7%	n/a
Basic personal ³	\$16,129	\$12,932	\$22,323	\$19,491	\$15,780
Spousal/partner and wholly dependant person ⁴	16,129	11,073	22,323	19,491	9,134
Net income threshold	—	1,108	—	1,949	—
Dependants ⁵					
18 and over and infirm	See	See	12,922	13,986	3,605
Net income threshold	Caregiver	Caregiver	8,536	7,938	5,115
Caregiver ⁵	8,601	5,659	12,922	13,986	3,605
Net income threshold	20,197	19,151	20,545	19,108	12,312
Child ⁶ (max)	—	—	—	7,704	—
Adoption ⁷ (max)	19,580	19,580	19,354	—	10,000
Disability ^{8,9}	10,138	9,699	17,219	13,986	6,180
Disability supplement ¹⁰	5,914	5,659	12,922	13,986	3,605
Pension ⁸ (max)	2,000	1,000	1,719	1,000	1,000
Age 65 and over ^{8,11}	9,028	5,799	6,221	5,785	3,728
Net income threshold	45,522	43,169	46,308	43,066	27,749
Medical expense threshold ¹²	2,834	2,689	2,884	2,681	1,728
Employment ¹³	1,471	—	—	—	—
Canada Pension Plan ¹⁴ (max)	3,356	3,356	3,356	3,356	3,356
Employment Insurance ¹⁴ (max)	1,077	1,077	1,077	1,077	1,077
Children's fitness ¹⁵ (max)	—	—	—	Ref.	500
Children's arts ¹⁶ (max)	—	—	—	Ref.	500
Children's wellness ¹⁷ (max)	—	—	—	—	—
Home buyers ¹⁸ (max)	10,000	—	—	15,000	—
Home accessibility ¹⁹ (max)	20,000	Ref.	—	4,000	—
Tuition fees ²⁰	Yes	Yes	No	No	Yes
Education ²⁰					
Full time—per month	—	—	—	—	400
Part time—per month	—	—	—	—	120
Charitable donations ²¹					
Credit rate on first \$200	14.50%	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%	9.50%	8.70%
Indexation factor ²	2.8%	2.7%	n/a	n/a	2.3%
Basic personal ³	\$12,747	\$13,396	\$11,744	\$14,650	\$11,067
Spousal/partner and wholly dependant person ⁴	10,823	10,499	11,744	12,443	9,043
Net income threshold	1,082	1,051	874	1,244	905
Dependants ⁵					
18 and over and infirm	See	5,839	2,885	2,446	3,515
Net income threshold	Caregiver	8,285	5,859	4,966	7,552
Caregiver ⁵	6,008	5,839	4,898	2,446	3,514
Net income threshold	20,554	19,942	13,677	11,953	17,175
Child ⁶ (max)	—	—	1,200	1,200	—
Adoption ⁷ (max)	15,551	—	—	—	14,935
Disability ^{8,9}	10,298	10,010	7,341	6,890	7,467
Disability supplement ¹⁰	6,007	5,839	3,449	4,019	3,514
Pension ⁸ (max)	1,762	1,000	1,173	1,000	1,000
Age 65 and over ^{8,11}	6,223	6,037	5,734	6,510	7,064
Net income threshold	46,330	44,945	30,828	36,600	38,712
Medical expense threshold ¹²	2,885	2,798	1,637	1,678	2,410
Employment ¹³	—	—	—	—	—
Canada Pension Plan ¹⁴ (max)	3,356	3,356	3,356	3,356	3,356
Employment Insurance ¹⁴ (max)	1,077	1,077	1,077	1,077	1,077
Children's fitness ¹⁵ (max)	—	—	Ref.	—	Ref.
Children's arts ¹⁶ (max)	—	—	Ref.	—	—
Children's wellness ¹⁷ (max)	—	—	—	1,000	—
Home buyers ¹⁸ (max)	—	—	—	—	—
Home accessibility ¹⁹ (max)	—	Ref.	—	—	—
Tuition fees ²⁰	No	Yes	Yes	Yes	Yes
Education ²⁰					
Full time—per month	—	—	200	400	200
Part time—per month	—	—	60	120	60
Charitable donations ²¹					
Credit rate on first \$200	5.05%	9.40%	8.79%	9.50%	8.70%
Credit rate on balance	11.16%	17.95%	21.00%	19.00%	21.80%

Refer to notes on the following pages.

Ref. = indicates refundable credit - see applicable note.

Federal and Provincial/Territorial Non-Refundable Tax Credit Rates and Amounts

	Y.T.	N.W.T.	Nvt.
Tax rate applied to credits ¹	6.40%	5.90%	4.00%
Indexation factor ²	2.7%	2.7%	2.7%
Basic personal ³	\$16,129	\$17,842	\$19,274
Spousal/partner and wholly dependant person ⁴	16,129	17,842	19,274
Net income threshold	—	—	—
Dependants ⁵			
18 and over and infirm	See	5,914	5,914
Net income threshold	Caregiver	8,391	8,391
Caregiver ⁵	8,601	5,914	5,914
Net income threshold	20,197	20,197	20,197
Child ⁶ (max)	—	—	1,200
Adoption ⁷ (max)	19,580	—	—
Disability ^{8,9}	10,138	14,469	16,405
Disability supplement ¹⁰	5,914	5,914	5,914
Pension ⁸ (max)	2,000	1,000	2,000
Age 65 and over ^{8,11}	9,028	8,727	12,303
Net income threshold	45,522	45,522	45,522
Medical expense threshold ¹²	2,834	2,834	2,834
Employment ¹³	1,471	—	—
Canada Pension Plan ¹⁴ (max)	3,356	3,356	3,356
Employment Insurance ¹⁴ (max)	1,077	1,077	1,077
Children's fitness ¹⁵ (max)	Ref.	—	—
Children's arts ¹⁶ (max)	500	—	—
Children's wellness ¹⁷ (max)	—	—	—
Home buyers ¹⁸ (max)	—	—	—
Home accessibility ¹⁹ (max)	—	—	—
Tuition fees ²⁰	Yes	Yes	Yes
Education ²⁰			
Full time—per month	—	400	400
Part time—per month	—	120	120
Charitable donations ²¹			
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.

Federal and Provincial/Territorial Non-Refundable Tax Credit Rates and Amounts

Notes

- (1) The table shows the dollar amounts of certain federal, provincial and territorial non-refundable tax credits for 2025 (except for Quebec, see the table "Quebec Non-Refundable Tax Credit Rates and Amounts for 2025"). 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 \$12,932 is multiplied by 5.06% to determine the credit value of \$654.

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.

Consequential to the federal government proposal to decrease the tax rate to 14.5% that applies to the lowest marginal income tax bracket, the rate that applies to credits is also reduced to 14.5% (from 15%) for the 2025 tax year.

Alberta decreased the province's tax rate that applies to credits to 8% (from 10%) effective January 1, 2025.

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.

- (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, 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 also do not index their credits.

Alberta introduced a 2.0% limit that applies to its inflation factor, effective January 1, 2025.

Manitoba paused the indexation of the province's basic personal amount, beginning with the 2025 tax year. As a result, Manitoba does not index its credits.

Nova Scotia will index the province's basic personal amount, spouse or common-law partner amount, eligible dependant amount, age amount, and amount for infirm dependants aged 18 or older, beginning with the 2026 tax year.

- (3) The federal basic personal amount of \$16,129 is gradually reduced to \$14,538 for individuals with net income between \$177,882 and \$253,414 in 2025. Once net income is over \$253,414, the basic personal amount remains at the lower amount of \$14,538.

Saskatchewan increased the province's basic personal amount to \$19,491 (from \$18,491), effective January 1, 2025. The province will further increase its basic personal amount after indexation by \$500 a year in 2026, 2027 and 2028.

Manitoba introduced a gradual reduction of the province's basic personal amount for taxpayers over a net income range of \$200,000 to \$400,000, effective for the 2025 tax year. If net income is over \$400,000, the basic personal amount is nil.

Nova Scotia increased the province's basic personal amount to \$11,744 (from \$8,744) and eliminated the province's additional basic personal amount of \$3,000, effective January 1, 2025.

Prince Edward Island increased the province's basic personal amount to \$14,650 (from \$13,500), effective January 1, 2025. The province will further increase its basic personal amount to \$15,000, effective January 1, 2026.

Yukon is 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, and for related dependants over 18 with a physical or mental impairment (see note (5)).

The federal spouse or common-law partner amount, and eligible dependant amount of \$16,129 is gradually reduced to \$14,538 for individuals with net income between \$177,882 and \$253,414 in 2025. Once net income is over \$253,414, the spouse or common-law partner amount, and eligible dependant amount remains at the lower amount of \$14,538.

Saskatchewan increased the province's spouse or common-law partner amount, and eligible dependant amount to \$19,491 (from \$18,491) and the corresponding income threshold amount to \$1,949 (from \$1,850), effective for the 2025 tax year. The province will further increase its spouse or common-law partner amount, and eligible dependant amount after indexation by \$500 a year in 2026, 2027 and 2028.

Nova Scotia increased the province's spouse or common-law partner amount, and eligible dependant amount to \$11,744 (from \$8,744) and eliminated the province's additional spouse or common-law partner amount, and eligible dependant amount of \$3,000, effective January 1, 2025.

Prince Edward Island increased the province's spouse or common-law partner amount, and eligible dependant amount to \$12,443 (from \$11,466) and the corresponding income threshold amount to \$1,244 (from \$1,147), effective for the 2025 tax year. The province will further increase its spouse or common-law partner amount to \$12,740 and the corresponding income threshold amount to \$1,274, effective January 1, 2026.

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

- (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 physically or mentally impaired (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).

The federal caregiver credit amount is \$8,601 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 \$2,687 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.

British Columbia's caregiver credit amount is \$5,659 and parallels the federal Canada caregiver credit.

Saskatchewan increased the province's caregiver credit amount to \$13,986 (from \$10,894), effective for the 2025 tax year. The province also increased its infirm dependant credit amount to \$13,986 (from \$10,894), effective for the 2025 tax year.

Ontario's caregiver credit amount is \$6,008 in respect of relatives who are infirm dependants, including adult children of the claimant or of the claimant's spouse or common-law partner.

Yukon is harmonized with the federal caregiver credit.

- (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.

Notes, continued

For Nunavut, unused credit amounts may be transferred between spouses. 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

Saskatchewan provides a credit for children of 18 years of age or under in the year if certain conditions are met. The province increased the amount of this credit to \$7,704 (from \$7,015), effective for the 2025 tax year. The province will further increase the amount of this credit after indexation by \$500 a year in 2026, 2027 and 2028. 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 tax 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) Saskatchewan increased the province's disability tax credit amount to \$13,986 (from \$10,894), effective for the 2025 tax year.
- (10) 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 when certain child and attendant care expenses claimed in respect of this individual exceed a certain threshold.

Saskatchewan increased the province's disability supplement amount to \$13,986 (from \$10,894), effective for the 2025 tax year.

- (11) Saskatchewan provides an additional non-refundable tax credit for individuals aged 65 or older in the year, regardless of their net income amount. The province increased the amount of this credit to \$2,028 (from \$1,487), effective for the 2025 tax year. The province will further increase the amount of this credit after indexation by \$500 a year in 2026, 2027 and 2028.

Nova Scotia increased the province's age credit amount to \$5,734 (from \$4,141) and eliminated the province's additional age amount of \$1,465, effective January 1, 2025.

Prince Edward Island increased 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.

- (12) 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 \$15,552 for 2025.

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 who 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

- (13) 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.

- (14) Self-employed individuals are subject to a higher Canada 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.
- (15) Taxpayers in Saskatchewan with family income of \$120,000 (previously \$60,000) or less can claim a maximum of \$300 (previously \$150) annually per child under the age of 19 at the end of the year for fees paid to register children in eligible sports, recreational and cultural activities. For children eligible for the disability tax credit, the maximum is \$400 (previously \$200) per eligible child. This tax credit is a refundable credit in Saskatchewan.

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. This tax credit is non-refundable in Manitoba.

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.

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 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.

- (16) 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 \$120,000 (previously \$60,000) or less can claim a maximum of \$300 (previously \$150) annually per child under the age of 19 at the end of the year for fees paid to register children in eligible sports, recreational and cultural activities. For children eligible for the disability tax credit, the maximum is \$400 (previously \$200) per eligible child. 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

- (17) Taxpayers in Prince Edward Island can claim a non-refundable children's wellness tax credit. This credit 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.
- (18) 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 \$1,450 (\$10,000 x 14.5%).

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 increased the province's first-time homebuyers' amount to \$15,000 (from \$10,000) for homes acquired on or after January 1, 2025. This non-refundable tax credit is worth up to \$1,575 (10.5% x \$15,000) to eligible taxpayers. Saskatchewan has a new First Time Homebuyers Tax Credit Transition Program Grant for homes acquired from October 1, 2024 to December 31, 2024. This grant will be available in September 2025. 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.

- (19) 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. Although not specific to home accessibility, Saskatchewan introduced a 10.5% non-refundable home renovation tax credit for the 2025 and subsequent tax years on \$4,000 of eligible home renovation expenses on a primary residence. The amount increases to \$5,000 for individuals who attain the age of 65 by the end of the tax year. Individuals may claim eligible expenses incurred between October 1, 2024 and December 31, 2025 on their 2025 return.

- (20) 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.

- (21) 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 \$253,414. 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 \$259,829. 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 2025¹

Tax rate applied to credits¹	14%
Indexation factor²	2.85%
Basic personal amount	\$18,571
Amounts for dependents:	
Child under 18 engaged in full-time training or post-secondary studies ³	3,823
Child over 17 who is a full-time student ⁴	See Note
Other dependents over 17 ⁵	5,570
Person living alone or with a dependent:⁶	
Basic amount ⁷	2,128
Single-parent amount (supplement) ⁸	2,627
Age 65 and over⁶	3,906
Career extension⁹	12,500
Retirement income⁶ (max)	3,470
Disability	4,123
First-time home buyers¹⁰	10,000
Union and professional dues¹¹	10%
Tuition fees¹²	8%
Interest paid on student loans¹³	20%
Medical expenses¹⁴	20%
Charitable donations¹⁵	
Credit rate on first \$200	20%
Credit rate on balance	24%/25.75%

Notes

- (1) This table includes select Quebec non-refundable tax credit rates and amounts for 2025. 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 \$18,571 is multiplied by 14% to determine the credit value of \$2,600.

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 2.85% for 2025. 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 (\$13,658 for 2025).
- (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 \$42,090.
- (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 \$2,627 to the basic amount for a person living alone (see note (7)).
- (9) Quebec made several changes to this credit, including to raise the age of eligibility to 65 (from 60). For the 2025 taxation year, the credit applies at a 14% rate to \$12,500 of "eligible work income" in excess of \$7,500. The credit is reduced by 7% of net individual income over \$56,500. Quebec will index these amounts, effective for the 2026 and subsequent taxation years.

"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) 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 is 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 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 24% for the rest. If the donor's income exceeds \$129,590 in 2025, the tax credit rate increases to 25.75%.

Quebec Refundable Tax Credit Rates and Amounts for 2025¹

	Tax rate	Max expense	Max credit
Medical expenses² Reduced by 5% of family income in excess of \$28,335 ³	25%	certain eligible medical expenses	\$ 1,466
Childcare expense credit^{3,4} The lesser of expenses incurred or: For a child who has a severe or prolonged mental or physical impairment For a child under the age of seven For a child under the age of sixteen	from 67% to 78%	 16,800 12,275 6,180	
Adoption expense credit⁵	50%	20,000	10,000
Infertility treatment credit⁶	from 20% to 80%	20,000	16,000
Tax credit for caregivers^{3,7} Basic amount Reducible amount Reduced by 16% of the eligible care receiver's income over \$26,520 ³			1,494 1,494
Home support services for seniors⁸ Not recognized as dependent seniors Recognized as dependent seniors	39% 39%	19,500 25,500	7,605 9,945
Short-term transition of seniors in rehabilitation centre⁹	20%	costs incurred in maximum 60-day period	
Independent living for seniors¹⁰	20%	costs incurred in excess of \$250	
Residential waste water treatment system¹¹	20%	costs incurred in excess of \$2,500	5,500

Notes

- (1) This table includes select Quebec refundable tax credit rates and amounts for 2025. Quebec's credit rate, maximum eligible expense 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 2025") 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: \$3,750 for 2025.
- (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 2.85% for 2025.
- (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 2025 is the lesser of:

- The total of:
 - \$16,800 for an eligible child of any age who has a severe or prolonged mental or physical impairment
 - \$12,275 for an eligible child under the age of seven
 - \$6,180 for an eligible child aged seven 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 an "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 \$13,658, 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.

Quebec changed the definition of an "eligible child" to a child under the age of 14 (rather than 16), effective for the 2026 taxation year.

- (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 \$1,494 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 \$1,494 is available where the caregiver co-resides with the eligible care receiver. The co-residency period must total 365 consecutive days, including 183 during the current tax year. 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 \$1,494. The reducible amount is reduced by 16% for each dollar of income of the eligible care receiver in excess of \$26,520 for 2025.

Component 2: A basic amount of \$1,494 for a caregiver (other than a spouse) 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 2025

	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	\$1,494	Not entitled	\$1,494
Reducible amount	\$1,494	\$1,494	Not entitled
Total - maximum	\$2,988	\$1,494	\$1,494

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 2025"), it cannot be claimed again for this tax credit as well. The tax credit rate increased to 39% (from 38%) for 2025. 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 (\$71,010 in 2025).
- 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 (\$71,010 in 2025), up to the second reduction threshold (\$115,035 in 2025).
 - The combined tax credit is further reduced by 7% for each dollar of family income in excess of the second reduction threshold (\$115,035 in 2025).

- (9) The rehabilitation center 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 located in Quebec 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	14.50 % ²	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%
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 2025").

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

Draft legislation was released early 2025, which the CRA is administering, extending the deadline for determining an individual's charitable donation tax credit for the 2024 tax year until February 28, 2025 due to the 2024 postal strike. Quebec intends to adopt the same extension.

- (2) A donation tax credit rate of 14.5% is available on the first \$200 and generally 29% for amounts over \$200, for taxation year 2025. 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 highest 33% tax rate (i.e., income over \$253,414 in 2025).

The federal government proposed to decrease the rate applicable to most personal tax credits from 15% to 14.5% for 2025 and to 14% for the 2026 and later taxation years.

- (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 to increase the eligible amount of the gift by 25% or 50% for individuals and corporations on donations of public artwork and food products.

- (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 \$129,590.

- (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 now 8%.

- (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 2025".

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 other than graduated rate estates and qualified disability 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 \$259,829.

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 (e.g., cultural and ecological gifts). In Quebec, the maximum amount of donations that may be claimed in a year is 100% of net income.

Notes, continued

- (8) Donating property may result in a taxable capital gain to the donor. Generally, 50% of capital gains 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.
- (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. For example, certified cultural property could be listed personal property (LPP) such that the rules for LPP losses would apply. 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.
- (10) 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. In cases where the exchanged property is a partnership interest, a special calculation is required to determine what the capital gain will be.

Notes, continued

- (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.
- (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 (for ecologically sensitive land, 10 years). 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.

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

Provincial Health Premiums

Quebec – Health Services Fund

Income Level	Required Contributions
Up to \$18,130	Nil
18,131 to 63,060	1% of income over \$18,130, maximum \$150
Over 63,060	\$150 + 1% of income over \$63,060, 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 2025").

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

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

	2025		
	Maximum	Additional	Total
Maximum annual pensionable earnings	\$71,300	\$9,900	\$81,200
Basic exemption	\$3,500	N/A	\$3,500
Maximum contributory earnings	\$67,800	\$9,900	\$77,700
Employer and employee contribution rate	5.95%	4%	N/A
Maximum annual employer and employee contributions	\$4,034	\$396	\$4,430
Maximum self-employed contribution rate	11.9%	8%	N/A
Maximum annual self-employed contributions	\$8,068	\$792	\$8,860

Employment Insurance

	2024	2025
Maximum annual insurable earnings	\$63,200	\$65,700
Employee’s premium rate	1.66%	1.64%
Maximum annual employee premiums	\$1,049	\$1,077
Employer’s premium rate	2.32%	2.3%
Maximum annual employer premiums	\$1,469	\$1,508

Employment Withholdings—Quebec

Quebec Pension Plan

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

	2025		
	Maximum	Additional	Total
Maximum annual pensionable earnings	\$71,300	\$9,900	\$81,200
Basic exemption	\$3,500	N/A	\$3,500
Maximum contributory earnings	\$67,800	\$9,900	\$77,700
Employer and employee contribution rate	6.4%	4%	N/A
Maximum annual employer and employee contributions	\$4,339	\$396	\$4,735
Maximum self-employed contribution rate	12.8%	8%	N/A
Maximum annual self-employed contributions	\$8,678	\$792	\$9,470

Employment Insurance¹

	2024	2025
Maximum annual insurable earnings	\$63,200	\$65,700
Employee's premium rate	1.32%	1.31%
Maximum annual employee premiums	\$834	\$861
Employer's premium rate	1.85%	1.83%
Maximum annual employer premiums	\$1,168	\$1,205

Quebec Parental Insurance Plan¹

	2024	2025
Maximum annual insurable earnings	\$94,000	\$98,000
Employee's contribution rate	0.494%	0.494%
Maximum annual employee contributions	\$464	\$484
Employer's contribution rate	0.692%	0.692%
Maximum annual employer contributions	\$650	\$678
Self-employed contribution rate	0.878%	0.878%
Maximum annual self-employed contributions	\$825	\$860

Notes

- (1) 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.

2025 Personal Income Tax Table

Taxable Income	B.C.	Alta.	Sask.	Man.	Ont.
\$ 10,000	\$ —	\$ —	\$ —	\$ —	\$ —
15,000	58	—	—	—	67
20,000	449	158	158	472	458
25,000	1,353	907	1,229	1,641	1,362
30,000	2,257	1,947	2,384	2,810	2,265
35,000	3,161	2,986	3,539	3,979	3,168
40,000	4,065	4,026	4,695	5,148	4,071
45,000	4,968	5,066	5,850	6,317	4,975
50,000	5,879	6,105	7,005	7,536	5,878
55,000	6,913	7,145	8,180	8,801	6,847
60,000	8,071	8,308	9,558	10,190	8,077
65,000	9,403	9,732	11,109	11,753	9,480
70,000	10,748	11,184	12,678	13,333	10,897
75,000	12,100	12,645	14,259	14,926	12,319
80,000	13,454	14,109	15,843	16,522	13,742
85,000	14,850	15,620	17,477	18,168	15,211
90,000	16,260	17,145	19,127	19,381	16,693
95,000	17,670	18,670	20,777	21,493	18,176
100,000	19,090	20,195	22,427	23,156	19,719
150,000	37,388	37,324	40,807	43,936	39,874
200,000	58,702	57,151	61,679	66,335	63,041
250,000	81,754	78,374	83,582	90,113	87,630
300,000	107,932	101,705	107,163	115,570	114,226
350,000	134,682	125,205	130,913	141,196	140,990
400,000	161,432	149,064	154,663	166,822	167,755
450,000	188,182	173,064	178,413	192,022	194,520
500,000	214,932	197,064	202,163	217,222	221,285

Refer to notes on the following pages.

Taxable Income	Que.	N.B.	N.S.	P.E.I.	Nfld.
\$ 10,000	\$ —	\$ —	\$ —	\$ —	\$ —
15,000	—	63	204	0	261
20,000	128	656	769	542	821
25,000	1,346	1,760	1,845	1,651	1,893
30,000	2,595	2,864	2,930	2,760	2,965
35,000	3,843	3,969	4,311	3,923	4,037
40,000	5,092	5,073	5,692	5,228	5,109
45,000	6,341	6,177	7,073	6,533	6,204
50,000	7,589	7,282	8,454	7,839	7,563
55,000	8,838	8,532	9,835	9,144	8,922
60,000	10,428	9,988	11,344	10,573	10,405
65,000	12,172	11,617	13,107	12,176	12,061
70,000	13,923	13,263	14,887	13,942	13,733
75,000	15,660	14,917	16,670	15,721	15,412
80,000	17,390	16,573	18,455	17,502	17,092
85,000	19,176	18,281	20,295	19,339	18,825
90,000	20,979	20,006	22,154	21,194	20,582
95,000	22,782	21,731	24,020	23,049	22,397
100,000	24,586	23,456	25,920	24,904	24,212
150,000	46,664	43,512	46,800	45,905	44,242
200,000	70,987	65,521	70,961	69,104	66,663
250,000	96,097	89,924	96,114	93,257	90,776
300,000	122,622	116,005	122,945	119,088	117,174
350,000	149,274	142,255	149,945	145,088	144,074
400,000	175,927	168,505	176,945	171,088	170,974
450,000	202,579	194,755	203,945	197,088	197,874
500,000	229,232	221,005	230,945	223,088	224,774

Refer to notes on the following pages.

Taxable Income	Y.T.	N.W.T.	Nvt.
\$ 10,000	\$ —	\$ —	\$ —
15,000	—	—	—
20,000	228	208	158
25,000	1,194	1,151	990
30,000	2,159	2,093	1,844
35,000	3,125	3,036	2,699
40,000	4,091	3,978	3,554
45,000	5,056	4,921	4,409
50,000	6,022	5,864	5,263
55,000	6,988	6,874	6,118
60,000	8,130	8,074	7,239
65,000	9,522	9,447	8,539
70,000	10,928	10,835	9,852
75,000	12,342	12,230	11,171
80,000	13,758	13,627	12,491
85,000	15,219	15,068	13,853
90,000	16,694	16,523	15,228
95,000	18,169	17,978	16,603
100,000	19,644	19,433	17,978
150,000	36,923	37,482	34,398
200,000	56,501	57,835	53,123
250,000	77,622	79,513	73,525
300,000	100,357	102,869	95,606
350,000	123,257	126,394	117,856
400,000	146,157	149,919	140,106
450,000	169,057	173,444	162,356
500,000	191,957	196,969	184,606

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 2025"). 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	\$177,882																										
Typical additions in computing adjusted taxable income (ATI) ^{1,2}	• 1/2 of capital gains—effectively, 100% of capital gains are included in income for AMT purposes (1/2 regular inclusion rate plus 1/2 AMT adjustment) • 100% of stock option deductions claimed—effectively 100% of stock option benefits are included for AMT purposes • 30% of capital gains on donations of publicly listed securities • 50% of non-capital loss carryforwards deducted in the current taxation year • 50% of interest and financing expenses incurred to earn income from property deducted in current tax year (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 2025) • Gross-up applied to taxable Canadian non-eligible dividends (15% for dividends received in 2025)																										
Carry forward period ³	7 years																										
Provincial and territorial AMT rates ⁴	<table> <tr><td>British Columbia</td><td>33.7%</td></tr> <tr><td>Alberta</td><td>35.0%</td></tr> <tr><td>Saskatchewan</td><td>50.0%</td></tr> <tr><td>Manitoba</td><td>50.0%</td></tr> <tr><td>Ontario⁵</td><td>24.6%</td></tr> <tr><td>Quebec⁶</td><td>19.0%</td></tr> <tr><td>New Brunswick</td><td>57.0%</td></tr> <tr><td>Nova Scotia</td><td>57.5%</td></tr> <tr><td>Prince Edward Island</td><td>57.5%</td></tr> <tr><td>Newfoundland and Labrador</td><td>58.0%</td></tr> <tr><td>Yukon</td><td>42.7%</td></tr> <tr><td>Northwest Territories</td><td>45.0%</td></tr> <tr><td>Nunavut</td><td>45.0%</td></tr> </table>	British Columbia	33.7%	Alberta	35.0%	Saskatchewan	50.0%	Manitoba	50.0%	Ontario ⁵	24.6%	Quebec ⁶	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%
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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 are 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:

$$\text{Minimum amount} = [(A - B) \times 20.5\%] - C$$

A = ATI

B = Lower bound of the fourth federal income tax bracket (\$177,882 in 2025)

C = 50% of certain federal personal tax credits (80% for charitable donations tax credits)

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.

- (2) An individual's ATI is calculated based on regular taxable income, which is then adjusted for certain tax preference items.
- (3) When AMT applies, 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) Ontario decreased its AMT rate to 24.63% (from 33.67%), effective for the 2024 taxation year.
- (6) 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 and subsequent taxation years. This increase has not yet been enacted into law.

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.

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 this measure has not been enacted, 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.

Eligible Dividend Tax Credit Rates and Amount of Dividends that may be Received Without Incurring Tax in 2025¹

	Dividend Tax Credit Rate ²		Amount of Dividend Received Tax Free	
	Actual Dividend	Taxable Dividend	Actual Dividend	Taxable Dividend
Federal	20.73%	15.02%	\$76,443	\$105,492
British Columbia	16.56	12.00	76,443	105,492
Alberta	11.20	8.12	76,443	105,492
Saskatchewan	15.18	11.00	76,443	105,492
Manitoba	11.04	8.00	39,981	55,173
Ontario	13.80	10.00	76,443	105,492
Quebec	16.15	11.70	52,240	72,091
New Brunswick	19.32	14.00	76,443	105,492
Nova Scotia	12.21	8.85	33,916	46,804
Prince Edward Island	14.49	10.50	56,291	77,682
Newfoundland and Labrador	8.69	6.30	29,071	40,118
Yukon	16.59	12.02	76,443	105,492
Northwest Territories	15.87	11.50	76,443	105,492
Nunavut	7.60	5.51	76,443	105,492

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 2025¹

	Dividend Tax Credit Rate ²		Amount of Dividend Received Tax Free	
	Actual Dividend	Taxable Dividend	Actual Dividend	Taxable Dividend
Federal	10.39%	9.03%	\$37,179	\$42,756
British Columbia	2.25	1.96	27,510	31,637
Alberta	2.51	2.18	26,682	30,684
Saskatchewan	2.90	2.52	22,297	25,642
Manitoba	0.90	0.78	15,250	17,538
Ontario	3.43	2.99	37,179	42,756
Quebec	3.93	3.42	21,369	24,574
New Brunswick	3.16	2.75	24,499	28,174
Nova Scotia ³	1.73	1.50	14,733	16,943
Prince Edward Island	1.50	1.30	18,470	21,240
Newfoundland and Labrador	3.68	3.20	23,408	26,919
Yukon	0.77	0.67	15,665	18,015
Northwest Territories	6.90	6.00	37,179	42,756
Nunavut	3.00	2.61	37,179	42,756

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 2025").

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) Nova Scotia decreased the province's DTC rate that applies to non-eligible dividends received to 1.5% (from 2.99%), effective January 1, 2025.

Automobiles—Deductions and Benefits

	2024	2025
Deduction limits¹		
Maximum cost for capital cost allowance purposes ²	\$37,000	\$38,000
Maximum deductible monthly lease payment ³	\$1,050	\$1,100
Maximum deductible monthly interest cost on automobile loans ⁴	\$350	\$350
Maximum deductible allowances paid to employees⁵		
First 5,000 employment-related kilometres	70¢	72¢
Each additional employment-related kilometre	64¢	66¢
Taxable benefits		
Standby charge benefit⁶		
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¢	34¢
Allowances⁷		
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 \$38,000 (from \$37,000) plus all applicable federal and provincial sales taxes for 2025. 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% on a declining balance (15% in the year of acquisition).

The 2024 federal fall economic update proposed to re-instate the Accelerated Investment Incentive (AII) for eligible property acquired on or after January 1, 2025 that becomes available for use before 2030. Under this proposal, the first-year CCA rate for qualifying motor vehicles would be 45% (rather than 15%). The AII is proposed to be phased out starting in 2030 and fully eliminated for property that becomes available for use after 2033. This measure has not been enacted and thus the proposed measure may change if and when it becomes law.

The 2024 federal fall economic update also proposed to re-instate the enhanced first-year CCA rate of 100% for zero-emission vehicles under CCA Class 54 acquired on or after January 1, 2025 that become available for use before 2030. The enhanced first-year CCA rate is proposed to be phased out starting in 2030 and fully eliminated for zero-emission vehicles that become available for use after 2033. This measure has not been enacted and thus the proposed measure may change if and when it becomes law.

The maximum capital cost of each zero-emission vehicle that may be included in Class 54 remains at \$61,000 plus all applicable federal and provincial sales taxes for 2025.

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 \$1,100 (from \$1,050) for 2025.

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

CCA cost limit

85% 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 4 cents higher (i.e., 76 cents for the first 5,000 kilometres and 70 cents for each additional kilometre in 2025).
- (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 kilometres per month of personal use.

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 and parking costs. 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 of 34 cents per kilometre in 2025 (previously 33 cents per kilometre in 2024). For taxpayers who are employed principally in selling or leasing automobiles, a reduced rate of 31 cents per kilometre in 2025 (previously 30 cents per kilometre 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	
	2024	2025	2024	2025	2024	2025
1st	\$713.34	\$727.67	\$1,065.47	\$1,086.88	\$641.35	\$654.23
2nd	713.34	727.67	1,065.47	1,086.88	641.35	654.23
3rd	718.33	734.95	1,072.93	1,097.75	645.84	660.78
4th	727.67	TBA	1,086.88	TBA	654.23	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 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 2025 will therefore be \$808.45 (instead of \$734.95) for seniors eligible for the 10% increase.

For 2025, if an individual's net income (including OAS pension) is greater than \$93,454, 15% of the excess over this amount must be repaid. The full OAS pension is eliminated when net income reaches \$151,959 for pensioners aged 65 to 74 and \$157,810 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 2025 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 \$22,272.
- Married individuals where both spouses/partners receive OAS benefits—combined net income (excluding OAS and GIS) must be less than \$29,424.

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 2025 must be less than \$41,184.

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 Allowance benefits. Generally, individuals may automatically renew the 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 Limits¹

	2023	2024	2025
Money Purchase Registered Pension Plans			
Contribution limit ¹	\$31,560	\$32,490	\$33,810
Pensionable earnings ²	175,333	180,500	187,833
Registered Retirement Savings Plans			
Contribution limit ³	30,780	31,560	32,490
Previous year's earned income ⁴	171,000	175,333	180,500
Deferred Profit Sharing Plans			
Contribution limit ⁵	15,780	16,245	16,905
Pensionable earnings ⁶	87,667	90,250	93,917
Tax-Free Savings Account			
Annual contribution limit ⁷	6,500	7,000	7,000
Tax-Free First Home Savings Account			
Annual contribution limit ⁸	8,000	8,000	8,000
Lifetime limit ⁸	40,000	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 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 Requirements¹

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 (No-Calculation Option)	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 tax on accumulated income payments from RESPs, the tax on excess EPSP amounts and provincial taxes excluding Quebec's (net of provincial credits). These amounts are reduced by the total taxes withheld at source, the Quebec abatement and investment tax credits 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.

Filing and Payment Deadlines and Penalties—Personal Tax Returns

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.

Instalment Requirements

Deadlines and Penalties	
Filing of Returns¹	
Federal and Quebec	
General	April 30
Self-employed person and their spouse	June 15
Final Payment of Tax²	
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: (i) one year after filing deadline, or (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.

Due to the proposed increase to the capital gains inclusion rate being cancelled, the filing deadline for individuals reporting a capital disposition was extended until June 2, 2025 to provide additional time for taxpayers to meet their filing obligations for the 2024 taxation year.

- (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

Federal and Provincial/Territorial Tax Rates for Income Earned by a CCPC—2025 and 2026¹

	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	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 ¹¹	2.5/1.5	14.0	14.0
Prince Edward Island ¹²	1.0	16.0/15.0	16.0/15.0
Newfoundland and Labrador	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—2025 and 2026

	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	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	11.5/10.5	29.0	52.7
Prince Edward Island ¹²	10.0	31.0/30.0	54.7/53.7
Newfoundland and Labrador	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.

Investment income earned by a "substantive CCPC" is taxed in the same manner as a CCPC. A substantive CCPC is a private corporation resident in Canada (other than a CCPC) that is ultimately controlled, in law or in fact, by Canadian-resident individuals.

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).

Nova Scotia increased the province's small business income threshold to \$700,000 (from \$500,000) effective April 1, 2025. Therefore, Nova Scotia's combined income tax rate on active business income between \$500,000 and \$700,000 is 16.5% (i.e., 15% federally and 1.5% provincially) effective April 1, 2025.

Prince Edward Island increased the province's small business income threshold to \$600,000 (from \$500,000) effective July 1, 2025. Therefore, Prince Edward Island'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, 2025.

See the table "Small Business Income Thresholds" 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 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 small business tax rate is temporarily reduced to 4.5% (from 9%) and the general corporate tax rate is temporarily reduced to 7.5% (from 15%) for eligible zero-emission technology manufacturing profits. The reduced tax rates are gradually phased out starting in taxation years that begin in 2032, and are fully phased out for taxation years that begin after 2034.
- (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 rates that apply to capital gains are one-half of the rates shown in the tables.

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 (NERDTH) 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 NERDTH and eligible refundable dividend tax on hand (ERDTH) accounts is refunded to the corporation. The dividend refund on non-eligible dividends must come out of the corporation's NERDTH account before it comes out of the corporation's ERDTH account.
- (9) Saskatchewan cancelled the previously scheduled increase of the province's small business income tax rate to 2% on July 1, 2025. As a result, the province's small business income tax rate will remain at 1%.
- (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) Nova Scotia decreased the province's small business income tax rate to 1.5% (from 2.5%) effective April 1, 2025.
- (12) Prince Edward Island decreased the province's general corporate income tax rate for active business income, M&P income and investment income to 15% (from 16%) effective July 1, 2025.

Substantively Enacted¹ Income Tax Rates for Income Earned by a CCPC² for 2025 and Beyond—As at June 30, 2025

	Small Business Income ⁴		Active Business Income ^{3,4}	
	2025	2026 and Beyond	2025	2026 and Beyond
Federal rates				
General corporate rate	38.0%	38.0%	38.0%	38.0%
Federal abatement	(10.0) 28.0	(10.0) 28.0	(10.0) 28.0	(10.0) 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	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 ¹³	2.5/1.5	1.5	14.0	14.0
Prince Edward Island ¹⁴	1.0	1.0	16.0/15.0	15.0
Newfoundland and Labrador	2.5	2.5	15.0	15.0
Territorial rates				
Yukon ¹⁵	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, 2025.

	M&P Income ⁸		Investment Income ⁵	
	2025	2026 and Beyond	2025	2026 and Beyond
Federal rates				
General corporate rate	38.0%	38.0%	38.0%	38.0%
Federal abatement	(10.0) 28.0	(10.0) 28.0	(10.0) 28.0	(10.0) 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 ¹³	14.0	14.0	14.0	14.0
Prince Edward Island ¹⁴	16.0/15.0	15.0		15.0
Newfoundland and Labrador	15.0	15.0	15.0	15.0
Territorial rates				
Yukon ¹⁵	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, 2025.

Notes

- (1) For IFRS Accounting Standards and Accounting Standards for Private Enterprises (ASPE) 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 IFRS Accounting Standards and ASPE 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". For example, if a bill becomes "substantively enacted" for IFRS Accounting Standards or ASPE 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.

Investment income earned by a "substantive CCPC" is taxed in the same manner as a CCPC. A substantive CCPC is a private corporation resident in Canada (other than a CCPC) that is ultimately controlled, in law or in fact, by Canadian-resident individuals.

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 the federal and provincial/territorial small business income thresholds.

Notes, continued

- (4) The small business tax rate is temporarily reduced to 4.5% (from 9%) and the general corporate tax rate is temporarily reduced to 7.5% (from 15%) for eligible zero-emission technology manufacturing profits. The reduced tax rates are gradually phased out starting in taxation years that begin in 2032, and are fully phased out for taxation years that begin after 2034.

- (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 rates that apply to capital gains are one-half of the rates shown in the tables.

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 (NERDTH) 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 NERDTH and eligible refundable dividend tax on hand (ERDTH) accounts is refunded to the corporation. The dividend refund on non-eligible dividends must come out of the corporation's NERDTH account before it comes out of the corporation's ERDTH account.

Notes, continued

- (10) Saskatchewan cancelled the previously scheduled increase of the province's small business income tax rate to 2% on July 1, 2025. As a result, the province's small business income tax rate will remain at 1%.
- 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).
- 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) Nova Scotia decreased the province's small business income tax rate to 1.5% (from 2.5%) and increased the province's small business income threshold to \$700,000 (from \$500,000) effective April 1, 2025. Therefore, Nova Scotia's combined income tax rate on active business income between \$500,000 and \$700,000 is 16.5% (i.e., 15% federally and 1.5% provincially) effective April 1, 2025.
- (14) Prince Edward Island decreased the province's general corporate income tax rate for active business income, M&P income and investment income to 15% (from 16%) and increased the province's small business income threshold to \$600,000 (from \$500,000) effective July 1, 2025. As a result of the increased small business income threshold, Prince Edward Island'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, 2025.
- (15) 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 2025 and Beyond¹

	2025 and beyond (\$000)
Federal	\$500
British Columbia	500
Alberta	500
Saskatchewan	600
Manitoba	500
Ontario	500
Quebec ²	500
New Brunswick	500
Nova Scotia ³	500/700
Prince Edward Island ⁴	500/600
Newfoundland and Labrador	500
Yukon	500
Northwest Territories	500
Nunavut	500

Refer to notes on the following page.

Federal and Provincial/Territorial Tax Rates for Income Earned by a General Corporation—2025 and 2026¹

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.

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.

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 is 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. The rules for the provincial/territorial small business income thresholds are generally harmonized with the federal rules, except for Ontario and New Brunswick which have not adopted the reduction under the investment income threshold.

- (2) 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.
- (3) Nova Scotia increased the province's small business income threshold to \$700,000 (from \$500,000) effective April 1, 2025.
- (4) Prince Edward Island increased the province's small business income threshold to \$600,000 (from \$500,000) effective July 1, 2025.

	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 ⁸	16.0/15.0	16.0/15.0	16.0/15.0
Newfoundland and Labrador	15.0	15.0	15.0
Territorial rates			
Yukon ⁹	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—2025 and 2026

	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 ⁸	31.0/30.0	31.0/30.0	31.0/30.0
Newfoundland and Labrador	30.0	30.0	30.0
Territorial rates			
Yukon ⁹	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.

Investment income earned by a "substantive CCPC" is taxed in the same manner as a CCPC. A substantive CCPC is a private corporation resident in Canada (other than a CCPC) that is ultimately controlled, in law or in fact, by Canadian-resident individuals.

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 general corporate tax rate is temporarily reduced to 7.5% (from 15%) for eligible zero-emission technology manufacturing profits. The reduced tax rates are gradually phased out starting in taxation years that begin in 2032, and are fully phased out for taxation years that begin after 2034.
- The federal income tax rate on bank and life insurer groups is 16.5% (instead of 15%), 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 rates that apply to capital gains are one-half of the rates shown in the tables.
- 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 not eligible for a deduction, subject to certain exceptions.
- (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) Prince Edward Island decreased the province's general corporate income tax rate for active business income, M&P income and investment income to 15% (from 16%) effective July 1, 2025.
- (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%.

Substantively Enacted¹ Income Tax Rates for Income Earned by a General Corporation² for 2025 and Beyond—As at June 30, 2025

	Active Business Income ³	
	2025	2026 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 ⁹	16.0/15.0	15.0
Newfoundland and Labrador	15.0	15.0
Territorial rates		
Yukon ¹⁰	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, 2025.

	M&P Income		Investment Income ⁴	
	2025	2026 and Beyond	2025	2026 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 ⁹	16.0/15.0	15.0		15.0
Newfoundland and Labrador	15.0	15.0	15.0	15.0
Territorial rates				
Yukon ¹⁰	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, 2025.

Notes

- (1) For IFRS Accounting Standards and Accounting Standards for Private Enterprises (ASPE) 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 IFRS Accounting Standards and ASPE 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". For example, if a bill becomes "substantively enacted" for IFRS Accounting Standards or ASPE 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.

Investment income earned by a "substantive CCPC" is taxed in the same manner as a CCPC. A substantive CCPC is a private corporation resident in Canada (other than a CCPC) that is ultimately controlled, in law or in fact, by Canadian-resident individuals.

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

Notes, continued

- (3) The general corporate tax rate is temporarily reduced to 7.5% (from 15%) for eligible zero-emission technology manufacturing profits. The reduced tax rates are gradually phased out starting in taxation years that begin in 2032, and are fully phased out for taxation years that begin after 2034.

The federal income tax rate on bank and life insurer groups is 16.5% (instead of 15%), 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 rates that apply to capital gains are one-half of the rates shown in the tables.

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 not eligible for a deduction, subject to certain exceptions.

- (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) Prince Edward Island decreased the province's general corporate income tax rate for active business income, M&P income and investment income to 15% (from 16%) effective July 1, 2025.
- (10) 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 Institutions¹

	Federal Part VI Tax ²	Sask. ³	Man. ⁴	Ont. ⁵
Type of Entity				
Bank	✓	✓	✓	
Loan or trust	✓	✓	✓	
Life insurance	✓			✓
Investment dealer		✓		
Tax rates				
2023	1.25%	0.7/4.0%	6.0%	1.25%
2024	1.25	0.7/4.0	6.0	1.25
2025	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	PE.I. ⁹	Nfld. ¹⁰
Type of Entity					
Bank		✓	✓	✓	✓
Loan or trust		✓	✓	✓	✓
Life insurance	✓				
Investment dealer					
Tax rates					
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
2025	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

Type of Entity	Federal Investment Tax Credits (ITCs) ¹			
	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.

The 2024 Federal Fall Economic Update proposed to introduce new enhancements to the SR&ED program that would generally apply to taxation years that begin on or after December 16, 2024, including to:

- Raise the expenditure limit for CCPCs to \$4.5 million (from \$3 million)
- Increase the taxable capital phase-out thresholds for determining the expenditure limit to between \$15 million and \$75 million (from \$10 million to \$50 million)
- Allow certain Canadian public corporations to also qualify for the enhanced 35% tax credit on expenditures up to \$4.5 million, and reduce the enhanced credit expenditure limit where the average gross revenue of the corporation or consolidated corporate group is between \$15 million and \$75 million over the three preceding years
- Allow CCPCs to elect to have their expenditure limit for the enhanced credit determined based on the same gross revenue phase-out structure proposed for Canadian public corporations.

At its platform published as part of the 2025 federal election, the Liberal Party of Canada promised to further increase the expenditure limit for Canadian companies to \$6 million (from \$4.5 million).

These measures have not been enacted and thus the proposed measures may change if and when they become law.

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). The 2024 Federal Fall Economic Update proposed to allow businesses to claim capital expenditures for property acquired on or after December 16, 2024. This measure has not been enacted and thus the proposed measure may change if and when it becomes law.

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 qualifying 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 travel, 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) ^{8,9,10}	14%/30%	Refundable tax credit for salaries and wages to carry out R&D in Quebec 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 ^{8,9}	14%/30%	Replaced with CRIC tax credit effective March 25, 2025 Refundable tax credit for qualified R&D expenditures incurred under a research contract with a university, public research centre or research consortium in Quebec 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 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 ^{8,9}	14%/30%	Replaced with CRIC tax credit effective March 25, 2025 Refundable tax credit for qualified R&D expenditures incurred to carry out a private partnership pre-competitive research project in Quebec 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 ^{8,9}	14%/30%	Replaced with CRIC tax credit effective March 25, 2025 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
Quebec tax credit for Research, Innovation and Commercialization (CRIC) ¹⁰	20%/30%	Refundable tax credit for salaries and wages and some other expenditures to carry out R&D in Quebec Claimants required to have a permanent establishment in Quebec to claim eligible expenditures incurred in Quebec
New Brunswick ¹¹	15%	Refundable tax credit for eligible expenditures incurred in New Brunswick by a corporation with a PE in the province
Nova Scotia ¹¹	15%	Refundable tax credit for eligible expenditures incurred in Nova Scotia by a corporation with a PE in the province
Newfoundland and Labrador ^{11,12}	15%	Refundable tax credit for eligible expenditures incurred in Newfoundland and Labrador by a corporation with a PE in the province
Yukon ^{11,13}	15%/20%	Refundable tax credit for eligible expenditures incurred in Yukon by a corporation with a PE in the territory

Refer to notes on the following pages.

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 pool 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.

- (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 pool and ITCs. Unused non-refundable credits may be carried back three taxation years or carried forward ten taxation years.

Notes, continued

- (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 pool 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.
- (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.

Notes, continued

- (8) The Quebec 2025 budget proposed to repeal various tax credits, including the tax credit for salaries and wages (R&D), the tax credit for university research and for research carried on by a public research centre or a research consortium, the tax credit for private partnership pre-competitive research and the tax credit for fees and dues paid to a research consortium and replace them with the new CRIC tax credit. These tax credits are no longer available for a taxation year or a fiscal period beginning after March 25, 2025.

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. Note that the new CRIC tax credit rates will be the same for all claimants.

The eligible expenditures are the salaries and 50% of the subcontractors for the tax credit for salaries and wages (R&D). The subcontracting expenses are available at 80% for the tax credit for university research and for research carried on by a public research center or a research consortium and the tax credit for private partnership pre-competitive research. The proxy method is required for both tax credit for salaries and wages (R&D) and the tax credit for private partnership pre-competitive research in order to allow a proxy amount for the tax credit for private partnership pre-competitive research, which is the only Quebec tax credit that allows to claim a proxy amount.

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 pool 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.

This threshold amount is allocated on a proportional basis between the tax credit for salaries and wages (R&D), the tax credit for university research and for research carried on by a public research center or a research consortium, the tax credit for private partnership pre-competitive research and the tax credit for fees and dues paid to a research consortium depending on the eligibles expenditures on each tax credit. However, the portion of the threshold that relates to the tax credit for salaries and wages (R&D) only reduces expenditures eligible to this credit.

Notes, continued

- (10) The 2025 Quebec Budget proposed to introduce the refundable tax credit for R&D, innovation and pre-commercialization (CRIC). The CRIC would be available for certain expenditures relating to R&D activities or expenditures relating to pre-commercialization activities. The proposed CRIC would be available at a rate of 30% on the first \$1 million of eligible expenditures that exceed the exclusion threshold, and the rate would be 20% for eligible expenditures above this \$1 million limit. Those rates are available for both CCPCs and general corporations. CRIC claimants will need to have a permanent establishment in Quebec to claim eligible expenditures incurred in Quebec. The capital expenditures will be eligible to the CRIC under certain restrictions as well as the salaries and 50% of the subcontractors. The CRIC would apply to a taxation year or a fiscal period beginning after March 25, 2025.

The CRIC would also feature an exclusion threshold. The exclusion threshold for purposes of the CRIC would be the greater of:

- The sum of the basic personal amount for each employee for which the CRIC is claimed (for 2025, the amount is \$18,571), adjusted in proportion to the employee's time spent on R&D and pre-commercialization activities; or
- \$50,000.

- (11) 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 pool and ITCs.
- (12) Newfoundland and Labrador does not reduce qualified expenditures that are eligible for provincial tax credits by amounts that are considered assistance payments.
- (13) 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. Expenditures incurred by an individual or trust may qualify.
- (14) 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, 2025 (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. This calculation is correct for both the current credit as well as for the new CRIC. The CRIC calculation is correct for both CCPCs and general corporations for the first eligible expenditures limit of \$1 million. To see the CRIC credit calculation on the portion that exceeds this first expense limit of \$1 million, refer to the following section ("General corporations").
- (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. ^{bf. CRIC 8,9}	Que. ^{CRIC 8,9,10}	N.B.	N.S.
R&D expenditures	\$1,000	\$1,000	\$1,000	\$1,000
Provincial/territorial ITC	(105)	(150)	(212)	(212)
Federal ITC @ 15%	(196)	(189)	(180)	(180)
Federal tax deduction	699	661	608	608
Federal taxes saved	\$105	\$99	\$91	\$91
Provincial/territorial taxes saved	\$80	\$76	\$85	\$85
Total tax savings				
Federal tax savings	\$301	\$288	\$271	\$271
Provincial/territorial tax savings	185	226	297	297
Total savings	\$486	\$514	\$568	\$568
Net after-tax cost of R&D	\$514	\$486	\$432	\$432

Refer to notes on the following pages.

General Corporations⁶	P.E.I.	Nfld.	Y.T.⁵	N.W.T.	Nvt.
R&D expenditures	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Provincial/territorial ITC	0	(212)	(212)	0	0
Federal ITC @ 15%	(212)	(180)	(180)	(212)	(212)
Federal tax deduction	788	608	608	788	788
Federal taxes saved	\$118	\$91	\$91	\$118	\$118
Provincial/territorial taxes saved	\$126	\$91	\$73	\$91	\$95
Total tax savings					
Federal tax savings	\$330	\$271	\$271	\$330	\$330
Provincial/territorial tax savings	126	303	285	91	95
Total savings	\$456	\$574	\$556	\$421	\$425
Net after-tax cost of R&D	\$544	\$426	\$444	\$579	\$575

Refer to notes on the following pages.

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, 2025 (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.
- (8) The 2025 Quebec budget proposed to introduce the refundable tax credit for R&D, innovation and pre-commercialization (CRIC) and repeal several existing credits, including the tax credit for salaries and wages (R&D), effective for taxation years or fiscal periods beginning after March 25, 2025. For more details on the proposed CRIC, see the tables "Provincial/Territorial Research and Development (R&D) Tax Incentives".
- (9) The exclusion threshold amount that reduces the expenditures that qualify for the Quebec tax credit is not included in the calculations.
- (10) The exclusion threshold amount that reduces the expenditures that qualify for the CRIC credit is not included in the calculations. This calculation is made to illustrate the CRIC credits for the portion of expenses that exceeds the initial limit of \$1 million for both CCPCs and general corporations.

Federal Income Tax Instalments

Payment Due Dates

Type of Corporation	Thresholds ¹	Payment Due Dates ²
General corporations	\$3,000	Monthly
CCPCs		
Eligible ³	3,000	Quarterly
Other	3,000	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 and before taking into consideration specified future tax consequences (e.g., loss carrybacks, foreign tax credit adjustments, and flow-through share renunciation) for the year, 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, 2024, its instalments for its 202 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.

For the 2025 taxation year only, the federal government announced temporary interest relief for businesses to:

- Defer corporate income tax payments from April 2 to June 30, 2025
- Waive interest on corporate income tax instalment and arrears payments that are required to be paid between April 2 and June 30, 2025
- Provide interest relief on existing corporate income tax balances between April 2 and June 30, 2025

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. 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. Instalment payments may not be transferred to another period or account as an advance deposit for an anticipated reassessment.

Provincial and Territorial Income Tax Instalments¹

Type of Corporation	Alberta		Quebec	
	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.
 - Its tax payable for the taxation year is not greater than the threshold
- (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 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 For certain CCPCs, the deadline is extended to three months ³
Quebec 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 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.

For the 2025 taxation year only, the federal and Quebec governments announced temporary interest relief for businesses to:

- Defer corporate income tax payments from April 2 to June 30, 2025
- Waive interest on corporate income tax instalment and arrears payments that are required to be paid between April 2 and June 30, 2025
- Provide interest relief on existing corporate income tax balances between April 2 and June 30, 2025

- (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 2025 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.

Notes, continued

- (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.
- (4) In Quebec, listed financial institutions are subject to a compensation tax on payroll. 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. For more details on the Quebec compensation tax, see the tables "Quebec Compensation Tax for Financial Institutions".
- (5) The federal government and provinces do not levy a general capital tax but most provinces impose a capital tax on financial institutions. 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 "File a formal dispute" service option in My Business Account or Represent a Client 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 and can be done electronically. 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 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. The remitter type sets the payment method you must use (e.g., electronically, at a financial institution or by mail).

- (3) New small employers are employers whose payroll account has been open for less than 12 months. They 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 (16th day to the end 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.

Threshold 2 accelerated remitters must remit either electronically or at a Canadian financial institution. 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 and not updated in the CRA account up to 3 business days after may be charged a penalty of 3% of the amount due.

Income tax administration and policy

3

Income tax administration and policy

Prescribed Interest Rates—2024¹

	Jan. to Mar. (Q1)	Apr. to Jun. (Q2)	Jul. to Sept. (Q3)	Oct. to Dec. (Q4)
Federal²				
Base rate	6.0%	6.0%	5.0%	5.0%
Tax debts	10.0	10.0	9.0	9.0
Tax refunds – corporations	6.0	6.0	5.0	5.0
Tax refunds – other taxpayers	8.0	8.0	7.0	7.0
Alberta³				
Tax debts	9.5	9.5	8.5	8.5
Tax refunds	3.0	3.0	2.5	2.5
Quebec⁴				
Tax debts	10.0	10.0	10.0	10.0
Tax refunds	5.0	5.0	4.75	4.75

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—2025¹

	Jan. to Mar. (Q1)	Apr. to Jun. (Q2)	Jul. to Sept. (Q3)	Oct. to Dec. (Q4)
Federal²				
Base rate	4.0%	4.0%	3.0%	TBA
Tax debts	8.0	8.0	7.0	TBA
Tax refunds – corporations	4.0	4.0	3.0	TBA
Tax refunds – other taxpayers	6.0	6.0	5.0	TBA
Alberta³				
Tax debts	8.0	8.0	7.0	TBA
Tax refunds	2.0	2.0	1.5	TBA
Quebec⁴				
Tax debts	9.0	8.0	8.0	TBA
Tax refunds	3.5	3.5	3.0	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—2024¹

	Jan. to Mar. (Q1)	Apr. to Jun. (Q2)	Jul. to Sept. (Q3)	Oct. to Dec. (Q4)
Saskatchewan				
Tax Debts	10.20%	10.20%	9.95%	9.95%
Tax Refunds	7.20	7.20	6.95	6.95
Manitoba²				
Tax Debts	10.20	10.20	9.95	9.95
Tax Refunds	N/A	N/A	N/A	N/A
Ontario³				
Tax Debts	10.0	10.0	9.0	9.0
Tax Refunds	6.0	6.0	5.0	5.0
Quebec⁴				
Tax Debts	10.0	10.0	10.0	10.0
Tax Refunds	5.0	5.0	4.75	4.75
New Brunswick²				
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 Scotia³				
Tax Debts	10.0	10.0	9.0	9.0
Tax Refunds	6.0	6.0	5.0	5.0
Prince Edward Island⁵				
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 Labrador³				
Tax Debts	10.0	10.0	9.0	9.0
Tax Refunds	6.0	6.0	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—2025

	Jan. to Mar. (Q1)	Apr. to Jun. (Q2)	Jul. to Sept. (Q3)	Oct. to Dec. (Q4)
Saskatchewan				
Tax Debts	8.45%	8.45%	TBA	TBA
Tax Refunds	5.45	5.45	TBA	TBA
Manitoba²				
Tax Debts	8.45	8.45	TBA	TBA
Tax Refunds	N/A	N/A	TBA	TBA
Ontario³				
Tax Debts	8.0	8.0	7.0	TBA
Tax Refunds	4.0	4.0	3.0	TBA
Quebec⁴				
Tax Debts	9.0	8.0	TBA	TBA
Tax Refunds	3.5	3.5	TBA	TBA
New Brunswick²				
Tax Debts	0.7591% per month	0.7591% per month	TBA	TBA
Tax Refunds	N/A	N/A	TBA	TBA
Nova Scotia³				
Tax Debts	8.0	8.0	7.0	TBA
Tax Refunds	4.0	4.0	3.0	TBA
Prince Edward Island⁵				
Tax Debts	1.5% per month	1.5% per month	TBA	TBA
Tax Refunds	1.5% per month	1.5% per month	TBA	TBA
Newfoundland and Labrador³				
Tax Debts	8.0	8.0	7.0	TBA
Tax Refunds	4.0	4.0	3.0	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 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 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 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 In any other case, the earlier of these two dates 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 calendar year in where an interest in a tax shelter was acquired 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 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 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) 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 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 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 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 always 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 always 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.

For the 2024 taxation year, the CRA granted relief to T3 Trust filers that reported capital dispositions from late-filing penalties and arrears interest until May 1, 2025.

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. The CRA announced that bare trusts are not required to file a T3 return and Schedule 15 for the 2023 and 2024 taxation years, unless the CRA makes a direct request for these filings. On August 12, 2024, Finance released draft legislation that includes changes to remove the requirement for bare trusts to file a T3 return and Schedule 15 for the 2024 taxation year, and expanded and added several other exceptions to provide relief to certain other trusts, such as "small trusts". These changes also include new rules that would deem certain additional arrangements to be an express trust subject to the reporting requirements, beginning with the 2025 taxation year. These proposed changes have yet to be enacted as of April 30, 2025.

- (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.
- (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 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 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 returns electronically	\$1,000 for corporations
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 ⁵
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 ⁶

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 ⁷ Repeat offence—20% of amount not deducted or withheld ⁸
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 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.
- (2) CRA has a relieving administrative position on late-filing penalties for certain information returns (NR4, T4, T4A, T4E, T5 and T5018) for small businesses. Since each slip is considered to be one information return, CRA has reduced the penalty per slip based on the number of slips filed. For small businesses filing between 1 to 5 slips, the maximum penalty assessed is \$100.

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.

Selected Federal Penalty and Offence Provisions

Notes, continued

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. The CRA announced that bare trusts are not required to file a T3 return and Schedule 15 for the 2023 and 2024 taxation years, unless the CRA makes a direct request for these filings. On August 12, 2024, Finance released draft legislation that includes changes to remove the requirement for bare trusts to file a T3 return and Schedule 15 for the 2024 taxation year, and expand several other exceptions to provide relief to certain other trusts. These proposed changes have yet to be enacted as of April 30, 2025. For more detail, see the table "Other Selected Federal Filing Deadlines".

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. A penalty equal to 25% of the tax benefit as well as an extension of the statute barred period by three years may apply to transactions subject to the GAAR. Both measures will not apply if a disclosure is made via the mandatory disclosure rules regime if such disclosure is either required legislatively or further to an optional filing where not otherwise required.

- (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 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.
- (6) This penalty is the greater of \$24,000 and 5% of certain property amounts for Forms T1141, T1135 and T1134, \$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").
- (7) 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.
- (8) 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 Federal Penalty and Offence Provisions

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
	Failure to file returns electronically	\$1,000 for corporations
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
	Failure to file returns electronically	\$1,000 for corporations
	Late or deficient instalment payments	Additional interest charge of 10% per year, compounded daily, 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

Non-Resident Withholding Tax Rates for Treaty Countries¹

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 ⁶	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 ⁹	(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
Türkiye	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 OECD multilateral instrument (MLI) should be considered when determining treaty benefits under Canada's tax treaties.

When it signed the MLI, Canada adopted, in addition to other items, 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, 2025, 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 does not impose domestic withholding tax on certain arm's length interest payments; however, non-arm's length interest 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, videotape or other means 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, 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 under a treaty 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%.
- (9) On November 18, 2024, Canada provided formal notice to the Russian Federation to confirm the suspension of the Tax Treaty between Canada and the Russian Federation. The suspension took effect both for taxes withheld at source and in respect of other taxes on November 18, 2024, and continues until otherwise decided by the two governments. While suspension is in effect, the withholding tax rate is generally 25%.

U.S. Federal Personal Income Tax Rates—2025

Single taxpayers

If Taxable Income Is Over	But Not Over	The Tax Rate Is	Of the Amount Over
\$0	\$11,925	10%	\$0
11,925	48,475	\$1,192.50 + 12%	11,925
48,475	103,350	5,578.50 + 22%	48,475
103,350	197,300	17,651.00 + 24%	103,350
197,300	250,525	40,199.00 + 32%	197,300
250,525	626,350	57,231.00 + 35%	250,525
626,350		188,769.75 + 37%	626,350

Married individuals filing joint returns

If Taxable Income Is Over	But Not Over	The Tax Rate Is	Of the Amount Over
\$0	\$23,850	10%	\$0
23,850	96,950	\$2,385.00 + 12%	23,850
96,950	206,700	11,157.00 + 22%	96,950
206,700	394,600	35,302.00 + 24%	206,700
394,600	501,050	80,398.00 + 32%	394,600
501,050	751,600	114,462.00 + 35%	501,050
751,600		202,154.50 + 37%	751,600

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	\$11,925	10%	\$0
11,925	48,475	\$1,192.50 + 12%	11,925
48,475	103,350	5,578.50 + 22%	48,475
103,350	197,300	17,651.00 + 24%	103,350
197,300	250,525	40,199.00 + 32%	197,300
250,525	375,800	57,231.00 + 35%	250,525
375,800		101,077.25 + 37%	375,800

Heads of households

If Taxable Income Is Over	But Not Over	The Tax Rate Is	Of the Amount Over
\$0	\$17,000	10%	\$0
17,000	64,850	\$1,700.00 + 12%	17,000
64,850	103,350	7,442.00 + 22%	64,850
103,350	197,300	15,912.00 + 24%	103,350
197,300	250,500	38,460.00 + 32%	197,300
250,500	626,350	55,484.00 + 35%	250,500
626,350		187,031.50 + 37%	626,350

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 2025, the 15% breakpoint is \$96,700 for married taxpayers filing jointly, \$48,300 for married taxpayers filing separately, \$64,750 for head of household filers, and \$48,350 for all other filers. The 20% breakpoint is \$600,050 for married taxpayers filing jointly, \$300,000 for married taxpayers filing separately, \$566,700 for head of household filers, and \$533,400 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 at the lower capital gains rates. 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 Rates¹

Social Security and Medicare Taxes

	Wage Base Limit	Tax Rate		Maximum Annual Contribution	
		Employee	Employer	Employee	Employer
2023	Up to \$160,200	7.65%	7.65%	\$12,255	\$12,255
	160,201 to 200,000 ²	1.45	1.45	577 ³	577 ³
	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 ⁴	455 ⁴
	Over 200,000 ²	2.35	1.45	N/A	N/A
2025	Up to \$176,100	7.65	7.65	\$13,472	\$13,472
	176,101 to 200,000 ²	1.45	1.45	346 ⁵	346 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
2023	Up to \$160,200	15.3%	\$22,491
	160,201 to 200,000 ²	2.9	1,537 ³
	Over 200,000 ²	3.8	N/A
2024	Up to \$168,600	15.3	\$24,511
	168,601 to 200,000 ²	2.9	1,154 ⁴
	Over 200,000 ²	3.8	N/A
2025	Up to \$176,100	15.3	\$26,943
	176,101 to 200,000 ²	2.9	693 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) 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

- (4) 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

- (5) 2025 Maximum Annual Contribution for the lower rate of the Medicare portion of the FICA tax for compensation or self-employment income in excess of \$176,100 is as follows:

	Employee	Employer	Self-employed
Single filer	\$346.54	\$346.54	\$693.07
Married taxpayers filing a joint return	\$1,071.54	\$1,071.54	\$2,143.07
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 2025, most U.S. citizens and U.S. domiciled decedents will be allowed an estate exemption of \$13,990,000, effectively exempting estates of less than that amount from tax. The gift tax exemption amount for 2025 is also \$13,990,000. 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 revert to the \$5,000,000 amount from 2016 but will be indexed for inflation.
- 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 2025 is \$19,000 per donee.
- Gifts made to U.S. citizen spouses are unlimited. The annual exclusion for gifts made to non-U.S. citizen spouses in 2025 is \$190,000.
- 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 2025, 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 \$13,990,000 (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 2021 to 2025. The 'estate exempt amount' is indexed for inflation.

	Lifetime Estate and Gift Exempt Amount	Highest Estate and Gift Tax Rate
2021	11,700,000	40%
2022	12,060,000	40
2023	12,920,000	40
2024	13,610,000	40
2025	13,990,000	40

U.S. Federal Corporate Income Tax Rates—2025

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 Rates¹—2025

	Personal Tax Rate	Corporate Tax Rate
Alabama	5.00%	6.50%
Alaska	no income tax	9.40
Arizona	2.50	4.90
Arkansas	3.90 ²	4.30 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	5.19 ³	5.39 ³
Hawaii	11.00	6.40
Idaho	5.30 ⁴	5.30 ⁴
Illinois	4.95	9.50
Indiana	3.00 ⁵	4.90
Iowa	3.80 ⁶	7.10
Kansas	5.58 ⁷	6.50

Refer to notes on the following pages.

	Personal Tax Rate	Corporate Tax Rate
Kentucky	4.00%	5.00%
Louisiana	3.00 ⁹	5.50 ⁸
Maine	7.15	8.93
Maryland	6.50 ⁹	8.25
Massachusetts	9.00 ¹⁰	8.00
Michigan	4.25	6.00
Minnesota	9.85	9.80
Mississippi	4.40 ¹¹	5.00
Missouri	4.70 ¹²	4.00
Montana	5.90	6.75
Nebraska	5.20 ¹³	5.20 ¹³
Nevada ¹⁶	no income tax	no income tax
New Hampshire	3.00% of dividend & interest income ¹⁴	7.50
New Jersey	10.75	9.00
New Mexico	5.90	5.90
New York	10.90	7.25
North Carolina	4.25 ¹⁶	2.25 ¹⁵

Refer to notes on the following pages.

	Personal Tax Rate	Corporate Tax Rate
North Dakota	2.50%	4.31%
Ohio ¹⁶	3.50	no income tax
Oklahoma	4.75	4.00
Oregon	9.90	7.60
Pennsylvania	3.07	7.99 ¹⁸
Rhode Island	5.99	7.00
South Carolina	6.20 ¹⁸	5.00
South Dakota	no income tax	no income tax
Tennessee	no income tax	6.50
Texas ¹⁶	no income tax	no income tax ¹⁹
Utah	4.50 ²⁰	4.50 ²⁰
Vermont	8.75	8.50
Virginia	5.75	6.00
Washington ¹⁶	7.00% on capital gains	no income tax
West Virginia	4.82 ²¹	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' personal tax rate decreased to 3.90% (from 4.40%), effective January 1, 2025. Arkansas' corporate tax rate decreased to 4.30% (from 4.80%), effective January 1, 2025.
- (3) Georgia's personal tax rate decreased to 5.19% (from 5.39%), effective January 1, 2025. Georgia's corporate tax rate decreased to 5.39% (from 5.75%), effective July 1, 2024.
- (4) Idaho's personal tax rate decreased to 5.30% (from 5.695%), effective January 1, 2025. Idaho's corporate tax rate decreased to 5.30% (from 5.695%), effective January 1, 2025.
- (5) Indiana's personal tax rate decreased to 3.00% (from 3.05%), effective January 1, 2025.
- (6) Iowa's personal tax rate decreased to 3.80% (from 5.70%), effective January 1, 2025. Iowa has switched to a flat tax rate and discarded the old tiered system.

Notes, continued

- (7) Kansas' personal tax rate decreased to 5.58% (from 5.77%) for the 2025 tax year.
- (8) Louisiana's personal tax rate decreased to 3.00% (from 4.25%), effective January 1, 2025. Louisiana's corporate tax rate decreased to 5.50% (from 7.50%), effective January 1, 2025.
- (9) Maryland's personal tax rate increased to 6.50% (from 5.75%), effective January 1, 2025.
- (10) Massachusetts' personal tax rate did not change from 2024 to 2025 but the prior year table showed the base rate of 5.00% with the footnote disclosing the 4.00% surtax. The 2025 table reflects the maximum personal tax rate of 9.00% to be consistent with the disclosure for the other states. Other types of income, including certain investment income, can be taxed at rates up to 12.00%.
- (11) Mississippi's personal tax rate decreased to 4.40% (from 4.70%), effective January 1, 2025.
- (12) Missouri's personal tax rate decreased to 4.70% (from 4.80%), effective January 1, 2025.
- (13) Nebraska's personal tax rate decreased 5.20% (from 5.84%), effective January 1, 2025. Nebraska's corporate tax rate decreased to 5.20% (from 5.84%), effective January 1, 2025.
- (14) New Hampshire decreased its dividend and income tax to 3.00% (from 4.00%), effective December 31, 2024.
- (15) North Carolina's personal tax rate decreased to 4.25% (from 4.50%), effective January 1, 2025.
North Carolina's corporate tax rate decreased to 2.25% (from 2.50%), effective January 1, 2025.
- (16) Some states, such as Nevada, Ohio, Texas 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.
- (17) Pennsylvania's corporate tax rate decreased to 7.99% (from 8.49%), effective January 1, 2025.
- (18) South Carolina's personal tax rate decreased to 6.20% (from 6.30%), effective January 1, 2025.
- (19) 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 \$2,470,000 or less owe no tax.
- (20) Utah's personal tax rate decreased to 4.50% (from 4.55%), effective January 1, 2025. Utah's corporate tax rate decreased to 4.50% (from 4.55%), effective January 1, 2025.
- (21) West Virginia's personal tax rate decreased to 4.82% (from 5.12%), effective January 1, 2025.

Personal Imports—Personal Exemptions¹

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.

Please note that if the purchased United States (U.S.) origin goods you bring into Canada exceeds the personal exemption limits outlined in the table, and depending on what the goods are, a 25% surtax may be applied to these goods, including both new and used items that are marked as made in the U.S., produced in the U.S., or originating from the U.S., as well as to items that lack a country of origin marking.
- (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

Federal and Provincial/Territorial Sales Tax Rates¹

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 ⁶			14% 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 applies a new 3% digital services tax (DST) on certain revenue streams of certain large businesses as the OECD's Pillar One has not yet been adopted. Affected businesses must file their first DST returns by June 30, 2025, related to certain revenue streams from 2022, 2023 and 2024. The DST applies to certain revenues from online business models including online marketplaces, social media, online advertising, and user data. [Note from the Editor – After the guide was updated, Finance announced its intention to rescind the DST].

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. In 2024, British Columbia introduced PST rules for software retroactive to 2013.
- (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. Manitoba is introducing RST rules for cloud computing effective January 1, 2026.
- (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.
- (6) Nova Scotia reduced its HST rate to 14% (from 15%) effective April 1, 2025.

Rebates for Public Service Bodies¹

Type of Organization	GST	QST	Provincial component of the HST				
			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 replaced 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
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
July to September	5.0/7.0	9.0	4.75	10.0
October to December	5.0/7.0	9.0	4.75	10.0
2025				
January to March	4.0/6.0	8.0	3.5	9.0
April to June	4.0/6.0	8.0	3.5	8.0

GST/HST and QST Filing and Assessment Periods¹

	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: • \$1,000 and • 1% of difference between amounts (or 1% of total of tax collectible and ITC claimed depending on the amount)	For each failure, lesser of: • \$1,000 and • 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: • \$1,000 and • the lesser of 50% of the tax benefit and the total of \$100,000 plus compensation	Greater of: • \$1,000 and • 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 Rates¹

	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. Quebec proposes to increase the tax on insurance premiums to 9.975% (from 9%) on premiums paid after December 31, 2026.

Newfoundland and Labrador applies RST at 15% on some 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/RST¹

	British Columbia ² (PST)	Saskatchewan ³ (PST)	Manitoba ⁴ (RST)
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
July to September	9.95	9.95	9.95
October to December	9.45	9.95	9.95
2025			
January to March	8.45	8.45	8.45
April to June	7.95	8.45	8.45

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

6

Provincial Payroll and Health Fund Taxes¹—2025

	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 ⁸	\$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.

There were no changes to the Employer Health Tax in the 2025 British Columbia budget. The exemption threshold is \$1 million, and the tax rate for B.C. remuneration between \$1 million and \$1.5 million is 5.85%. These rates have been in effect since January 1, 2024.

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

Before January 1, 2025		After December 31, 2024	
Total payroll ¹	Payroll tax	Total payroll ¹	Payroll tax
\$0 to \$1,000,000	\$0	\$0 to \$1,000,000	\$0
\$1,000,000 to \$1,500,000	(Payroll - \$1,000,000) x 5.85%	\$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%

¹Associated 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 2025 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 2025, remuneration of up to \$98,000 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 2025 are as follows:

Rates	Payroll of \$1,000,000 or less	Payroll of \$1,000,001 to \$7,799,999	Payroll of \$7,800,000 or more
Rates for employers whose payroll is more than 50% attributable to activities in the primary and manufacturing sectors	1.25%	0.8074% + (0.4426% 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%	1.2662% + (0.3838% 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 Taxes¹

	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 + 0.1%
Saskatchewan ⁹	Land Titles Act	Up to \$500	—
		501–6,300	\$25
		Over 6,300	0.4%
Manitoba ¹⁰	Tax Administration and Miscellaneous Taxes Act	Up to \$30,000	\$133 to \$140
		30,001–90,000	0.5%
		90,001–150,000	1.0
		150,001–200,000	1.5
		Over 200,000	2.0
Ontario ¹¹	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 ¹²	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 ¹³	Toronto Municipal Code Taxation, Municipal Land Transfer Tax	General Up to \$55,000 55,001–250,000 250,001–400,000 Over 400,000
		\$100.06 + HST + 0.5% 1.0 1.5 2.0
	Single Family Residence(s)	
		Up to \$55,000 55,001–250,000 250,001–400,000 400,001–2,000,000 2,000,001–3,000,000 3,000,001–4,000,000 4,000,001–5,000,000 5,000,001–10,000,000 10,000,001–20,000,000 Over 20,000,000
		0.5 1.0 1.5 2.0 2.5 3.5 4.5 5.5 6.5 7.5
	Code Taxation, Municipal Land Transfer Tax	All values of residential property acquired by foreign purchasers
		25%
	An Act Respecting Duties on Transfers of Immovables	Up to \$61,500 61,501–307,800 Over 307,800
		0.5% 1.0 1.5
	An Act Respecting Duties on Transfers of Immovables	Up to \$61,500 61,501–307,800 307,801 – 552,300 552,301–1,104,700 1,104,701–2,136,500 2,136,501–3,113,000 Over 3,113,000
		0.5% 1.0 1.5 2.0 2.5 3.5 4.0
	Real Property Transfer Act	All values
		\$85 + 1.0%
	Land Registration Act	All values
		\$100 + 0% to 1.5%
Nova Scotia ¹⁷	Non-resident Deed Transfer Tax Act	All values of residential property acquired by foreign purchasers
		10%

Refer to notes on the following pages.

Legislation	Property Value	Rate of Tax or Fee ²
Prince Edward Island ¹⁸	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 ¹⁹	Registration of Deeds Act	Up to \$500 Over 500
		\$100 + 0.4%
Yukon ²⁰	Land Titles Act	All values
		\$50 to \$750 + Assurance Fund Fee
Northwest Territories ²¹	Land Titles Act	Up to \$1,000,000 Over 1,000,000
		0.2% (Min. \$100) 0.15%
Nunavut ²²	Land Titles Act	Up to \$1,000,000 Over 1,000,000
		0.15% (Min. \$60) 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 $\$140 + (0.5\% \times 60,000) + (1.0\% \times 60,000) = \$1,040$.
- (3) Certain Canadian and foreign owners of residential property in Canada have tax filing obligations under the Underused Housing Tax (UHT) rules. Generally, 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. Certain Canadian entities, such as private companies with non-resident shareholders above 10%, or partnerships and trusts with non-resident partners or beneficiaries may also be subject to the UHT filings.

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.

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, certain transfers to certain First Nations, 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.

- (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.

Notes, continued

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 (excluding the Predator Ridge resort area), Coldstream, Lake Country, Peachland, Summerland, Comox, Qualicum Beach, and Cumberland.

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).

The 2025 British Columbia budget proposed to increase these rates to 1% and 3% respectively, effective January 1, 2026.

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. The 2025 British Columbia budget proposed to increase the tax credit to \$4,000, effective January 1, 2026.

Notes, continued

- (7) British Columbia's new home flipping tax came 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) Previously Alberta had levied a registration fee on the transfer of interests in land, mortgages and other charges based on the value of the property being transferred. The 2024 Alberta budget proposed to replace the registration fee system with a Land Titles Registration Levy set at \$5 per \$5,000 of value for property transfers and mortgage registrations. This change came into effect for transfers from October 20, 2024.
- (9) Saskatchewan levies 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.
- (10) 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. 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.

Manitoba intends to review its land transfer tax and consider legislative changes to address the potential avoidance of land transfer tax through certain ownership structures in which legal and beneficial ownership are separated.

- (11) 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 for a 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.

Notes, continued

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.

- (12) 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 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, condominiums and standalone purchases of parking spaces or storage units. 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.

- (13) 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 OLTT 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.

- (14) Effective January 1, 2025, a Municipal Non-Resident Speculation Tax (MNRST) will apply to foreign buyers of certain residential properties in Toronto. It is levied at a rate of 10% of the full purchase price and is in addition to MLTT and the provincial NSRT. Rebates may be available to foreign nationals who become permanent residents of Canada within four years of the date of the purchase or acquisition.

Exemptions that apply to the Ontario NRST also apply to MNRST.

Notes, continued

- (15) 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.

- (16) 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.

Notes, continued

- (17) 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.

The non-resident deed transfer tax rate is increased to 10% on registrations tendered on or after April 1, 2025 when applicable.

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.

- (18) 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.

The 2025 PEI budget proposed to increase the real property transfer tax rate for properties over \$1,000,000 to 2% (from 1%). The budget also proposed that the First-time Homebuyer exemption for PEI residents not apply above the \$1,000,000 threshold. These changes have not been enacted as of April 30, 2025.

- (19) 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.

- (20) 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).

- (21) Northwest Territories levies a land transfer fee on the registration of legal title based on the value of the property.

- (22) Nunavut levies a land transfer fee on the registration of legal title based on the value of the property.

Probate Fees—2025¹

Value of Estate		B.C.	Alta.	Sask.	Man.
From	To				
\$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		Ont.	Que.	N.B.	N.S.	P.E.I.
From	To					
\$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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