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Tax Facts

2026-2027



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Tax Facts

2026-2027

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Table of Contents

Chapter 1 — Individuals

Federal and Provincial/Territorial Income Tax Rates and Brackets for 2026 10
Federal and Provincial/Territorial Non-Refundable Tax Credit Rates and Amounts for 2026 13
Quebec Non-Refundable Tax Credit Rates and Amounts for 2026 21
Quebec Refundable Tax Credit Rates and Amounts for 2026 24
Charitable Donations 28
Provincial Health Premiums 32
Employment Withholdings—Federal 34
Employment Withholdings—Quebec 36
2026 Personal Income Tax Table 38
Federal and Provincial/Territorial Alternative Minimum Tax (AMT) 42
Combined Top Marginal Tax Rates For Individuals—2026 44
Eligible Dividend Tax Credit Rates and Amount of Dividends that may be Received Without Incurring Tax in 2026 45
Non-Eligible Dividend Tax Credit Rates and Amount of Dividends that may be Received Without Incurring Tax in 2026 46
Automobiles—Deductions and Benefits 47
Old Age Security Benefits 50
Retirement and Savings Plans—Contribution Limits 52
Instalment Requirements 54
Filing and Payment Deadlines and Penalties—Personal Tax Returns 57

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Table of Contents

Chapter 2 — Corporations

Federal and Provincial/Territorial Tax Rates for Income Earned by a CCPC—2026 and 2027 60

Combined Federal and Provincial/Territorial Tax Rates for Income Earned by a CCPC—2026 and 2027 61

Substantively Enacted Income Tax Rates for Income Earned by a CCPC for 2026 and Beyond—As at June 30, 2026 64

Small Business Income Thresholds for 2026 and Beyond 69

Federal and Provincial/Territorial Tax Rates for Income Earned by a General Corporation—2026 and 2027 71

Combined Federal and Provincial/Territorial Tax Rates for Income Earned by a General Corporation—2026 and 2027 72

Substantively Enacted Income Tax Rates for Income Earned by a General Corporation for 2026 and Beyond—As at June 30, 2026 74

Capital Tax Rates—Financial Institutions 78

Quebec Compensation Tax for Financial Institutions 80

Federal Research and Development (R&D) Tax Incentives 81

Provincial/Territorial Research and Development (R&D) Tax Incentives 84

Net After-Tax Cost of Performing Research and Development (R&D) 88

Federal Income Tax Instalments 96

Provincial and Territorial Income Tax Instalments 99

Filing and Payment Deadlines 100

Payroll Source Deductions 102

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Table of Contents

Chapter 3 — Income tax administration and policy

Prescribed Interest Rates—2025 106
Prescribed Interest Rates—2026 107
Prescribed Interest Rates for Capital Taxes—2025 108
Prescribed Interest Rates for Capital Taxes—2026 109
Other Selected Federal Filing Deadlines 110
Selected Federal Penalty and Offence Provisions 114
Selected Provincial/Territorial Penalty Provisions 118

Chapter 4 — International

Non-Resident Withholding Tax Rates for Treaty Countries 122
U.S. Federal Personal Income Tax Rates—2026 128
U.S. Federal Insurance Contribution Act (FICA) Tax Rates 132
U.S. Federal Estate, Gift and Generation-Skipping Transfer Tax Rates 134
U.S. Federal Corporate Income Tax Rates—2026 136
U.S. State Maximum Personal and Corporate Tax Rates—2026 137
Personal Imports—Personal Exemptions 142
Personal Imports—Currency, Gifts, Prohibited Goods and Cannabis 144

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Table of Contents

Chapter 5 — Indirect taxes

Federal and Provincial/Territorial Sales Tax Rates 148
Rebates for Public Service Bodies 150
Prescribed Interest Rates—GST/HST and QST 151
GST/HST and QST Filing and Assessment Periods 152
Selected Penalty Provisions—GST/HST and QST 153
Provincial Sales Tax/Retail Sales Tax Rates 154
Prescribed Interest Rates—PST/RST 155

Chapter 6 — Other taxes and levies

Provincial Payroll and Health Fund Taxes—2026 158
Land Transfer Taxes, Registration Fees and Speculation and Vacancy Taxes 163
Probate Fees—2026 174

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Individuals

Table of Contents

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Federal and Provincial/Territorial Income Tax Rates and Brackets for 2026

	Tax Rates	Tax Brackets	Surtax Rates	Surtax Thresholds
Federal[1]	14.00%	Up to $58,523		
	20.50	58,524–117,045		
	26.00	117,046–181,440		
	29.00	181,441–258,482		
	33.00	258,483 and over		
British Columbia[2]	5.60%	Up to $50,363		
	7.70	50,364–100,728		
	10.50	100,729–115,648		
	12.29	115,649–140,430		
	14.70	140,431–190,405		
	16.80	190,406–265,545		
	20.50	265,546 and over		
Alberta[3]	8.00%	Up to $61,200		
	10.00	61,201–154,259		
	12.00	154,260–185,111		
	13.00	185,112–246,813		
	14.00	246,814–370,220		
	15.00	370,221 and over		
Saskatchewan[4]	10.50%	Up to $54,532		
	12.50	54,533–155,805		
	14.50	155,806 and over		
Manitoba[5]	10.80%	Up to $47,000		
	12.75	47,001–100,000		
	17.40	100,001 and over		
Ontario[6]	5.05%	Up to $53,891		
	9.15	53,892–107,785	20%	$5,818
	11.16	107,786–150,000	36	7,446
	12.16	150,001–220,000		
	13.16	220,001 and over		
Quebec[7]	14.00%	Up to $54,345		
	19.00	54,346–108,680		
	24.00	108,681–132,245		
	25.75	132,246 and over		

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	Tax Rates	Tax Brackets	Surtax Rates	Surtax Thresholds
New Brunswick[4]	9.40% 14.00 16.00 19.50	Up to $52,333 52,334–104,666 104,667–193,861 193,862 and over		
Nova Scotia[8]	8.79% 14.95 16.67 17.50 21.00	Up to $30,995 30,996–61,991 61,992–97,417 97,418–157,124 157,125 and over		
Prince Edward Island[9]	9.50% 13.47 16.60 17.62 19.00 20.00	Up to $33,928 33,929–65,820 65,821–106,890 106,891–142,250 142,251–200,000 200,001 and over		
Newfoundland and Labrador[10]	8.70% 14.50 15.80 17.80 19.80 20.80 21.30 21.80	Up to $44,678 44,679–89,354 89,355–159,528 159,529–223,340 223,341–285,319 285,320–570,638 570,639–1,141,275 1,141,276 and over		
Yukon[4]	6.40% 9.00 10.90 12.80 15.00	Up to $58,523 58,524–117,045 117,046–181,440 181,441–500,000 500,001 and over		
Northwest Territories[4]	5.90% 8.60 12.20 14.05	Up to $53,003 53,004–106,009 106,010–172,346 172,347 and over		
Nunavut[4]	4.00% 7.00 9.00 11.50	Up to $55,801 55,802–111,602 111,603–181,439 181,440 and over		

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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 2.0% for 2026.

The federal government decreased 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 2.2% for 2026.

British Columbia's 2026 budget proposed to increase the lowest personal income tax rate to 5.6% (from 5.06%), effective for the 2026 and subsequent taxation years. The province's 2026 budget also proposed to freeze the indexation of personal income tax bracket thresholds (to inflation), effective for the 2027 through to the 2030 taxation years.

(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 2026.

(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 2.0% for 2026.

(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 1.9% for 2026.

Ontario surtax of 20% applies to the provincial income tax (before surtax) in excess of $5,818. Ontario surtax of 36% applies in addition to the 20% surtax (i.e., a total surtax of 56%) to the provincial income tax (before surtax) in excess of $7,446. The surtax effectively increases the top marginal tax rate for Ontario residents to 20.53% (13.16% x 156%).

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

(7) Quebec indexes its tax brackets using the same formula as that used federally, but uses the provincial inflation rate, excluding changes in liquor and tobacco taxes, rather than the federal rate in the calculation. The inflation factor for this province is 2.05% for 2026.

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

(8) Nova Scotia introduced indexation of the province's tax brackets, beginning with the 2026 tax year. The inflation factor for this province is 1.6% for 2026.

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

Prince Edward Island introduced a new provincial personal income tax rate of 20% on taxable income exceeding $200,000, effective January 1, 2026.

(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 1.1% for 2026.

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Federal and Provincial/Territorial Non-Refundable Tax Credit Rates and Amounts for 2026[1]

	Federal	B.C.	Alta.	Sask.	Man.
Tax rate applied to credits[1]	14.00%	5.60%	8.00%	10.50%	10.80%
Indexation factor[2]	2.0%	2.2%	2.0%	2.0%	n/a
Basic personal[3]	$16,452	$13,216	$22,769	$20,381	$15,780
Spousal/partner and wholly dependant person[4]	16,452	11,317	22,769	20,381	9,134
Net income threshold	—	1,132	—	2,038	—
Dependants[5]					
18 and over and infirm	See Caregiver	See Caregiver	13,180	14,266	3,605
Net income threshold			8,707	8,097	5,115
Caregiver[5]	8,773	5,784	13,180	14,266	3,605
Net income threshold	20,601	19,572	20,956	19,490	12,312
Child[6] (max)	—	—	—	8,358	—
Adoption[7] (max)	19,972	19,972	19,741	—	10,000
Disability[8]	10,341	9,913	17,563	14,266	6,180
Disability supplement[9]	6,032	5,783	13,180	14,266	3,605
Pension[8] (max)	2,000	1,000	1,753	1,000	1,000
Age 65 and over[8,10]	9,208	5,927	6,345	5,901	3,728
Net income threshold	46,432	44,119	47,234	43,927	27,749
Medical expense threshold[11]	2,890	2,748	2,942	2,735	1,728
Employment[12]	1,501	—	—	—	—
Canada Pension Plan[13] (max)	3,519	3,519	3,519	3,519	3,519
Employment Insurance[13] (max)	1,123	1,123	1,123	1,123	1,123
Children's fitness[14] (max)	—	—	—	Ref.	500
Children's arts[15] (max)	—	—	—	Ref.	500
Children's wellness[16] (max)	—	—	—	—	—
Home buyers[17] (max)	10,000	—	—	15,000	—
Home accessibility[18] (max)	20,000	Ref.	—	4,000	—
Tuition fees[19]	Yes	Yes	No	No	Yes
Education[19]					
Full time—per month	—	—	—	—	400
Part time—per month	—	—	—	—	120
Charitable donations[20]					
Credit rate on first $200	14.00%	5.60%	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.

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	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]	1.9%	2.0%	1.6%	n/a	1.1%
Basic personal[3]	$12,989	$13,664	$11,932	$15,000	$13,094
Spousal/partner and wholly dependant person[4]	11,029	10,709	11,932	12,740	9,142
Net income threshold	1,103	1,072	888	1,274	915
Dependants[5]					
18 and over and infirm	See	5,956	2,931	2,446	3,552
Net income threshold	Caregiver	8,451	5,953	4,966	7,636
Caregiver[5]	6,122	5,957	4,898	2,446	3,553
Net income threshold	20,944	20,340	13,677	11,953	17,364
Child[6] (max)	—	—	1,200	1,200	—
Adoption[7] (max)	15,846	—	—	—	15,099
Disability[8]	10,494	10,210	7,341	6,890	7,549
Disability supplement[9]	6,121	5,956	3,449	4,019	3,553
Pension[8] (max)	1,796	1,000	1,173	1,000	1,000
Age 65 and over[8,10]	6,342	6,158	5,826	6,510	7,142
Net income threshold	47,210	45,844	30,828	36,600	39,138
Medical expense threshold[11]	2,940	2,854	1,637	1,678	2,437
Employment[12]	—	—	—	—	—
Canada Pension Plan[13] (max)	3,519	3,519	3,519	3,519	3,519
Employment Insurance[13] (max)	1,123	1,123	1,123	1,123	1,123
Children's fitness[14] (max)	—	—	Ref.	—	Ref.
Children's arts[15] (max)	—	—	Ref.	—	—
Children's wellness[16] (max)	—	—	—	1,000	—
Home buyers[17] (max)	—	—	—	—	—
Home accessibility[18] (max)	—	Ref.	—	—	—
Tuition fees[19]	No	Yes	Yes	Yes	Yes
Education[19]					
Full time—per month	—	—	200	400	200
Part time—per month	—	—	60	120	60
Charitable donations[20]					
Credit rate on first $200	5.05%	9.40%	8.79%	9.50%	8.70%
Credit rate on balance	11.16%	17.95%	21.00%	19.00%	21.80%

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Ref. = indicates refundable credit - see applicable note.

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	Y.T.	N.W.T.	Nvt.
Tax rate applied to credits[1]	6.40%	5.90%	4.00%
Indexation factor[2]	2.0%	2.0%	2.0%
Basic personal[3]	$16,452	$18,198	$19,659
Spousal/partner and wholly dependant person[4]	16,452	18,198	19,659
Net income threshold	—	—	—
Dependants[5]			
18 and over and infirm	See	6,032	6,032
Net income threshold	Caregiver	8,559	8,559
Caregiver[5]	8,773	6,032	6,032
Net income threshold	20,601	20,601	20,601
Child[6] (max)	—	—	1,200
Adoption[7] (max)	19,972	—	—
Disability[8]	10,341	14,758	16,733
Disability supplement[9]	6,032	6,032	6,032
Pension[8] (max)	2,000	1,000	2,000
Age 65 and over[8,10]	9,208	8,902	12,550
Net income threshold	46,432	46,432	46,432
Medical expense threshold[11]	2,890	2,890	2,890
Employment[12]	1,500	—	—
Canada Pension Plan[13] (max)	3,519	3,519	3,519
Employment Insurance[13] (max)	1,123	1,123	1,123
Children's fitness[14] (max)	Ref.	—	—
Children's arts[15] (max)	500	—	—
Children's wellness[16] (max)	—	—	—
Home buyers[17] (max)	—	—	—
Home accessibility[18] (max)	—	—	—
Tuition fees[19]	Yes	Yes	Yes
Education[19]			
Full time—per month	—	400	400
Part time—per month	—	120	120
Charitable donations[20]			
Credit rate on first $200	6.40%	5.90%	4.00%
Credit rate on balance	12.80%	14.05%	11.50%

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Ref. = indicates refundable credit - see applicable note.

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Notes

(1) The table shows the dollar amounts of certain federal, provincial and territorial non-refundable tax credits for 2026 (except for Quebec, see the table "Quebec Non-Refundable Tax Credit Rates and Amounts for 2026"). 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 $13,216 is multiplied by 5.60% to determine the credit value of $740.

Certain dollar amounts of non-refundable tax credits in this table are calculated by multiplying the prior year amount by the current year indexation factor.

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 14.0% that applies to the lowest marginal income tax bracket, the rate that applies to credits is also reduced to 14.0% (from 14.5%) for the 2026 tax year. The federal government also introduced the Top-Up Tax Credit that effectively preserves the 15% rate for certain non-refundable credits claimed on amounts in excess of the first tax bracket threshold ($58,523 for 2026). This credit applies for the 2025 to 2030 taxation years.

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.

British Columbia increased the applicable percentage for the basic personal amount, age amount, and other basic non-refundable income tax credits to 5.6% (from 5.06%), effective for the 2026 and subsequent taxation years. The province will also freeze the indexation of non-refundable tax credits, effective for the 2027 through to the 2030 taxation years.

(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, Nova Scotia (for certain non-refundable tax credits) 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. Manitoba and Prince Edward Island also do not index their credits.

(3) The federal basic personal amount of $16,452 is gradually reduced to $14,829 for individuals with net income between $181,440 and $258,482 in 2026. Once net income is over $258,482, the basic personal amount remains at the lower amount of $14,829.

Saskatchewan will increase its basic personal amount after indexation by $500 a year in 2027 and 2028.

Manitoba gradually reduces its basic personal amount for taxpayers over a net income range of $200,000 to $400,000. If net income is over $400,000, the basic personal amount is nil.

Prince Edward Island increased the province's basic personal amount to $15,000 (from $14,650), effective January 1, 2026.

Newfoundland and Labrador increased the province's basic personal amount to $15,000 (from $11,188). As the change was announced partway through 2026, the basic personal amount for the 2026 taxation year is increased to $13,094.

Yukon is harmonized with the federal basic personal amount.

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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 $16,452 is gradually reduced to $14,829 for individuals with net income between $181,440 and $258,482 in 2026. Once net income is over $258,482, the spouse or common-law partner amount, and eligible dependant amount remains at the lower amount of $14,829.

Saskatchewan will increase its spouse or common-law partner amount, and eligible dependant amount after indexation by $500 a year in 2027 and 2028.

Prince Edward Island increased the province's spouse or common-law partner amount, and eligible dependant 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 $8,773 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 $2,740 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 $5,784 and parallels the federal Canada caregiver credit.

Ontario's caregiver credit amount is $6,122 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.

Alberta introduced a new non-refundable Alberta Caregiver Credit, effective for the 2027 and subsequent tax years. This credit, which replaces the existing caregiver credit and the infirm dependent credit, will be available to individuals who care for an eligible adult relative who is dependent on the caregiver because of a mental or physical infirmity, including individuals caring for an infirm spouse. This change aligns the eligibility of the credit with the federal Canada 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.

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Notes, continued

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

Saskatchewan provides a credit for children of 18 years of age or under in the year if certain conditions are met. The province will increase the amount of this credit after indexation by $500 a year in 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) 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.

(10) Saskatchewan provides an additional non-refundable tax credit for individuals aged 65 or older in the year, regardless of their net income amount. The province will increase the amount of this credit after indexation by $500 a year in 2027 and 2028.

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

Taxpayers can also claim medical expenses for other eligible dependants to the extent the amount exceeds the lesser of 3% of net income of the dependant or the threshold shown in the table. Ontario is currently the only province with a maximum allowable medical expense for other eligible dependants. The limit is $15,863 for 2026.

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.

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

Yukon also provides the non-refundable federal employment credit.

(13) Self-employed individuals are subject to a higher Canada 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.

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Notes, continued

(14) Taxpayers in Saskatchewan with family income of $120,000 or less can claim a maximum of $300 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 per eligible child. This tax credit is a refundable credit in Saskatchewan.

Taxpayer 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.

(15) Taxpayer 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 or less can claim a maximum of $300 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 per eligible child. This taxcredit 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.

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Notes, continued

(16) 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.

(17) First-time home buyers who acquire a qualifying home during the year may be entitled to claim a federal non-refundable tax credit of up to $10,000 and worth up to $1,400 ($10,000 x 14%).

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

Saskatchewan's first-time homebuyers' amount is worth up to $1,575 (10.5% x $15,000) to eligible taxpayers. There are also provisions to allow persons with a disability to qualify for the purchase of more accessible homes, with eligibility rules similar to those for the existing federal incentive for first-time home buyers.

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

British Columbia and New Brunswick provide a refundable credit of up to $1,000 for similar expenses. Although not specific to home accessibility, Saskatchewan's non-refundable home renovation tax credit is available at a rate of 10.5% 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.

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

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

The federal donation tax credit rate of 33% applies to charitable donations over $200 to the extent the donor's income exceeds $258,282. Otherwise, a rate of 29% applies to donations over $200.

British Columbia's donation tax credit rate is 5.60% on the first $200 of donations and 20.5% on donations over $200 to the extent the donor's income exceeds $265,545. 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.

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Quebec Non-Refundable Tax Credit Rates and Amounts for 2026[1]

Tax rate applied to credits[1]	14%
Indexation factor[2]	2.05%
Basic personal amount	$18,952
Amounts for dependents:	
Child under 18 engaged in full-time training or post-secondary studies[3]	3,901
Child over 17 who is a full-time student[4]	See Note
Other dependents over 17[5]	5,684
Person living alone or with a dependent:[6]	
Basic amount[7]	2,172
Single-parent amount (supplement)[8]	2,681
Age 65 and over[6]	3,986
Career extension[9]	12,755
Retirement income[6] (max)	3,541
Disability	4,208
First-time home buyers[10]	10,000
Union and professional dues[11]	10%
Tuition fees[12]	8%
Interest paid on student loans[13]	20%
Medical expenses[14]	20%
Charitable donations[15]	
Credit rate on first $200	20%
Credit rate on balance	24%/25.75%

Notes

(1) This table includes select Quebec non-refundable tax credit rates and amounts for 2026. 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 $18,952 is multiplied by 14% to determine the credit value of $2,653.

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 2.05% for 2026. 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.

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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 ($13,938 for 2026).

(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 $42,955.

(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 $2,681 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 2026 taxation year, the credit applies at a 14% rate to $12,755 of "eligible work income" in excess of $7,655. The credit is reduced by 7% of net individual income over $57,660. These amounts are indexed, 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.

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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 totaled 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 $132,245 in 2026, the tax credit rate increases to 25.75%.

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Quebec Refundable Tax Credit Rates and Amounts for 2026[1]

	Tax rate	Max expense	Max credit
Medical expenses[2] Reduced by 5% of family income in excess of $28,915[3]	25%	certain eligible medical expenses	$ 1,496
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%	 17,145 12,525 6,305	
Adoption expense credit[5]	50%	20,000	10,000
Infertility treatment credit[6]	from 20% to 80%	20,000	16,000
Tax credit for caregivers[3,7] Basic amount Reducible amount Reduced by 16% of the eligible care receiver's income over $27,065[3]			 1,525 1,525
Home support services for seniors[8] Non-dependent seniors Dependent seniors	 40% 40%	 19,500 25,500	 7,800 10,200
Short-term transition of seniors in rehabilitation centre[9]	20%	costs incurred in maximum 60-day period	
Independent living for seniors[10]	20%	costs incurred in excess of $250	
Residential waste water treatment system[11]	20%	costs incurred in excess of $2,500	5,500

Notes

(1) This table includes select Quebec refundable tax credit rates and amounts for 2026. 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.

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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 2026") 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: $3,825 for 2026

(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 2.05% for 2026.

(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 2026 is the lesser of:

- The total of:
  - $17,145 for an eligible child of any age who has a severe or prolonged mental or physical impairment
  - $12,525 for an eligible child under the age of seven
  - $6,305 for an eligible child aged seven or more but under the age of 14 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 the individual actively seeks employment and 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 $13,938, if, in any case, at any time during the year, the child is under 14 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, fees for translation of documents, 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.

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

Component 1: A basic amount of $1,525 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 $1,525 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 $1,525. The reducible amount is reduced by 16% for each dollar of income of the eligible care receiver in excess of $27,065 for 2026.

Component 2: A basic amount of $1,525 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. For component 2 (aged 70 and older), the eligible care receiver cannot be the individual's spouse and the eligible seniors dwelling that constitutes his/her primary residence must be located in Quebec.

The following table summarizes the maximum tax credit amount for caregivers for 2026:

	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	$1,525	Not entitled	$1,525
Reducible amount	$1,525	$1,525	Not entitled
Total - maximum	$3,050	$1,525	$1,525

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(8) The home-support services for seniors tax credit can be claimed by persons age 70 and over living in their home or in a private seniors residence. 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 2026"), it cannot be claimed again for this tax credit as well. The tax credit rate increased to 40% (from 39%) for 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 ($72,465 in 2026).
- 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 ($72,465 in 2026), up to the second reduction threshold ($117,395 in 2026).
  - The combined tax credit is further reduced by 7% for each dollar of family income in excess of the second reduction threshold ($117,395 in 2026).

(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.

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Charitable Donations

	Federal	Quebec[3]	Other provinces/ territories
Tax credit rates for an individual's donations[1,15]			
First $200 of donations	14%[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[11,15]	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 2026").

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.

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Notes, continued

(2) A donation tax credit rate of 14% is available on the first $200 and generally 29% for amounts over $200, for taxation year 2026. 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 $258,482 in 2026).

The federal government decreased 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 $132,245.

(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 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 2026".

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 5.60% 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 $265,545.

British Columbia increased its lowest marginal tax rate from 5.06% to 5.60%, effective for 2026 and subsequent years. This increased rate applies to most personal tax credits.

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.

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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.

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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.

(15) Individuals that claim charitable donations tax credits or realize capital gains on donations of qualifying securities may be subject to Alternative Minimum Tax (AMT). For more details, see table "Federal and Provincial/Territorial Alternative Minimum Tax (AMT)".

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Quebec – Health Services Fund

Income Level	Required Contributions
Up to $18,500	Nil
18,501 to 64,355	1% of income over $18,500, maximum $150
Over 64,355	$150 + 1% of income over $64,355, 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 2026").

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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.

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Employment Withholdings—Federal

Canada Pension Plan

	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[1]	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

	2026		
	Maximum	**Additional**	**Total**
Maximum annual pensionable earnings	$74,600	$10,400	$85,000
Basic exemption	$3,500	N/A	$3,500
Maximum contributory earnings	$71,100	$10,400	$81,500
Employer and employee contribution rate[1]	5.95%	4%	N/A
Maximum annual employer and employee contributions	$4,230	$416	$4,646
Maximum self-employed contribution rate	11.9%	8%	N/A
Maximum annual self-employed contributions	$8,461	$832	$9,293

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Employment Insurance

	2025	2026
Maximum annual insurable earnings	$65,700	$68,900
Employee's premium rate	1.64%	1.63%
Maximum annual employee premiums	$1,077	$1,123
Employer's premium rate	2.3%	2.28%
Maximum annual employer premiums	$1,508	$1,572

Notes

(1) The Canada Pension Plan contribution rates above represent the sum of the base contribution rate and the first additional contribution rate, which both apply to the year's maximum annual pensionable earnings. For 2024 and each subsequent year, the first additional contribution rate is 1% each for both employers and employees.

The base CPP employer and employee contribution rates will decrease to 4.75% (from 4.95%), effective January 1, 2027.

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Employment Withholdings—Quebec

Quebec Pension Plan

	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[1]	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

	2026		
	Maximum	**Additional**	**Total**
Maximum annual pensionable earnings	$74,600	$10,400	$85,000
Basic exemption	$3,500	N/A	$3,500
Maximum contributory earnings	$71,100	$10,400	$81,500
Employer and employee contribution rate[1]	6.3%	4%	N/A
Maximum annual employer and employee contributions	$4,479	$416	$4,895
Maximum self-employed contribution rate	12.6%	8%	N/A
Maximum annual self-employed contributions	$8,958	$832	$9,790

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Employment Insurance[2]

	2025	2026
Maximum annual insurable earnings	$65,700	$68,900
Employee's premium rate	1.31%	1.30%
Maximum annual employee premiums	$861	$896
Employer's premium rate	1.83%	1.82%
Maximum annual employer premiums	$1,205	$1,254

Quebec Parental Insurance Plan[2]

	2025	2026
Maximum annual insurable earnings	$98,000	$103,000
Employee's contribution rate	0.494%	0.43%
Maximum annual employee contributions	$484	$443
Employer's contribution rate	0.692%	0.602%
Maximum annual employer contributions	$678	$620
Self-employed contribution rate	0.878%	0.764%
Maximum annual self-employed contributions	$860	$787

Notes

(1) The Quebec Pension Plan contribution rates above represent the sum of the base contribution rate and the first additional contribution rate, which both apply to the year's maximum annual pensionable earnings. For 2024 and each subsequent year, the first additional contribution rate is 1% each for both employers and employees.

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

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2026 Personal Income Tax Table

Taxable Income	B.C.	Alta.	Sask.	Man.	Ont.
$ 10,000	$ —	$ —	$ —	$ —	$ —
15,000	48	—	—	—	55
20,000	410	103	103	418	392
25,000	1,316	794	1,058	1,564	1,272
30,000	2,222	1,811	2,190	2,710	2,152
35,000	3,127	2,827	3,323	3,856	3,032
40,000	4,033	3,844	4,455	5,002	3,913
45,000	4,939	4,860	5,587	6,148	4,793
50,000	5,844	5,877	6,719	7,343	5,673
55,000	6,837	6,894	7,851	8,586	6,578
60,000	7,906	7,970	9,141	9,888	7,720
65,000	9,237	9,372	10,694	11,452	9,125
70,000	10,572	10,813	12,251	13,021	10,534
75,000	11,920	12,269	13,825	14,606	11,955
80,000	13,274	13,733	15,409	16,202	13,378
85,000	14,627	15,197	16,993	17,798	14,801
90,000	16,037	16,722	18,643	19,461	16,284
95,000	17,447	18,247	20,293	21,123	17,766
100,000	18,857	19,772	21,943	22,786	19,274
150,000	36,854	36,773	40,193	43,434	39,161
200,000	57,959	56,380	60,882	65,712	62,206
250,000	81,007	77,548	82,780	89,485	86,788
300,000	106,781	100,689	106,170	114,752	113,194
350,000	133,531	124,189	129,920	140,378	139,958
400,000	160,281	147,975	153,670	166,004	166,723
450,000	187,031	171,975	177,420	191,204	193,488
500,000	213,781	195,975	201,170	216,404	220,253

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Taxable Income	Que.	N.B.	N.S.	P.E.I.	Nfld.
$ 10,000	$ —	$ —	$ —	$ —	$ —
15,000	—	38	188	—	85
20,000	77	576	698	454	591
25,000	1,229	1,657	1,751	1,540	1,640
30,000	2,459	2,739	2,804	2,626	2,688
35,000	3,690	3,820	4,084	3,742	3,737
40,000	4,920	4,901	5,442	5,025	4,786
45,000	6,151	5,983	6,800	6,307	5,835
50,000	7,381	7,064	8,159	7,589	7,166
55,000	8,612	8,244	9,517	8,872	8,502
60,000	10,074	9,613	10,934	10,214	9,897
65,000	11,821	11,243	12,655	11,818	11,555
70,000	13,569	12,878	14,424	13,536	13,217
75,000	15,322	14,529	16,207	15,315	14,894
80,000	17,053	16,185	17,992	17,096	16,574
85,000	18,784	17,841	19,776	18,876	18,254
90,000	20,587	19,566	21,634	20,731	20,004
95,000	22,391	21,291	23,493	22,586	21,813
100,000	24,194	23,016	25,363	24,441	23,628
150,000	45,916	42,900	46,114	45,262	43,528
200,000	70,128	64,654	69,903	68,339	65,793
250,000	95,234	89,051	95,050	92,975	89,851
300,000	121,586	114,942	121,691	119,116	116,027
350,000	148,239	141,192	148,691	145,616	142,927
400,000	174,891	167,442	175,691	172,116	169,827
450,000	201,544	193,692	202,691	198,616	196,727
500,000	228,196	219,942	229,691	225,116	223,627

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Taxable Income	Y.T.	N.W.T.	Nvt.
$ 10,000	$ —	$ —	$ —
15,000	—	—	—
20,000	151	133	103
25,000	1,093	1,052	897
30,000	2,036	1,972	1,728
35,000	2,979	2,891	2,560
40,000	3,922	3,811	3,392
45,000	4,864	4,731	4,224
50,000	5,807	5,650	5,056
55,000	6,750	6,610	5,887
60,000	7,775	7,722	6,887
65,000	9,168	9,097	8,189
70,000	10,565	10,476	9,495
75,000	11,975	11,867	10,812
80,000	13,391	13,264	12,132
85,000	14,807	14,661	13,452
90,000	16,282	16,116	14,827
95,000	17,757	17,571	16,202
100,000	19,232	19,026	17,577
150,000	36,338	36,870	33,823
200,000	55,722	57,038	52,336
250,000	76,837	78,711	72,734
300,000	99,389	101,876	94,624
350,000	122,289	125,401	116,874
400,000	145,189	148,926	139,124
450,000	168,089	172,451	161,374
500,000	190,989	195,976	183,624

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- 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 2026"). 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.

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Federal and Provincial/Territorial Alternative Minimum Tax (AMT)

Federal AMT rate[1]	20.5%	
Basic minimum tax exemption[1]	$181,440	
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 investment counsel fees that are on account of capital under paragraph 20(1)(bb) • 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 2026) • Gross-up applied to taxable Canadian non-eligible dividends (15% for dividends received in 2026)	
Carry forward period[3]	7 years	
Provincial and territorial AMT rates[4]	British Columbia	40.0%
	Alberta	35.0%
	Saskatchewan	50.0%
	Manitoba	50.0%
	Ontario	24.6%
	Quebec[5]	19.0%
	New Brunswick	57.0%
	Nova Scotia	57.5%
	Prince Edward Island	57.5%
	Newfoundland and Labrador	62.1%
	Yukon	45.7%
	Northwest Territories	45.0%
	Nunavut	45.0%

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(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:

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

A = ATI

B =Lower bound of the fourth federal income tax bracket ($181,440 in 2026)

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.

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

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Combined Top Marginal Tax Rates For Individuals—2026

	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[2]	53.53	26.76	39.34	47.74
Quebec[3]	53.31	26.65	40.11	48.70
New Brunswick	52.50	26.25	32.40	46.83
Nova Scotia	54.00	27.00	41.58	49.99
Prince Edward Island	53.00	26.50	37.92	49.07
Newfoundland and Labrador[4]	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.

(2) Ontario will increase its non-eligible dividend tax rate by reducing the province's non-eligible dividend tax credit to 1.99% (from 2.99%), effective January 1, 2027.

(3) Quebec proposed to increase the non-eligible dividend tax rate by decreasing its non-eligible dividend tax credit to 2.69% (from 3.42%), effective January 1, 2027.

(4) Even though Newfoundland and Labrador reduced its small business rate by 0.5% per year until 2028, beginning on January 1, 2026, the province has not reduced the non-eligible dividend tax credit rate to effectively increase the effective tax rate on non-eligible dividends.

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Eligible Dividend Tax Credit Rates and Amount of Dividends that may be Received Without Incurring Tax in 2026[1]

	Dividend Tax Credit Rate[2]		Amount of Dividend Received Tax Free	
	Actual Dividend	Taxable Dividend	Actual Dividend	Taxable Dividend
Federal	20.73%	15.02%	$80,755	$111,442
British Columbia	16.56	12.00	80,755	111,442
Alberta	11.20	8.12	80,755	111,442
Saskatchewan	15.18	11.00	80,755	111,442
Manitoba	11.04	8.00	39,981	55,173
Ontario	13.80	10.00	80,755	111,442
Quebec	16.15	11.70	53,311	73,569
New Brunswick	19.32	14.00	80,755	111,442
Nova Scotia	12.21	8.85	35,140	48,493
Prince Edward Island	14.49	10.50	57,402	79,215
Newfoundland and Labrador	8.69	6.30	32,967	45,494
Yukon	16.59	12.02	80,755	111,442
Northwest Territories	15.87	11.50	80,755	111,442
Nunavut	7.60	5.51	80,755	111,442

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 health 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.

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Non-Eligible Dividend Tax Credit Rates and Amount of Dividends that may be Received Without Incurring Tax in 2026[1]

	Dividend Tax Credit Rate[2]		Amount of Dividend Received Tax Free	
	Actual Dividend	Taxable Dividend	Actual Dividend	Taxable Dividend
Federal	10.39%	9.03%	$40,299	$46,344
British Columbia	2.25	1.96	28,265	32,505
Alberta	2.51	2.18	27,215	31,297
Saskatchewan	2.90	2.52	23,316	26,813
Manitoba	0.90	0.78	15,250	17,538
Ontario[3]	3.43	2.99	40,279	46,321
Quebec[4]	3.93	3.42	21,807	25,078
New Brunswick	3.16	2.75	24,726	28,435
Nova Scotia	1.73	1.50	14,850	17,077
Prince Edward Island	1.50	1.30	18,823	21,646
Newfoundland and Labrador	3.68	3.20	24,123	27,742
Yukon	0.77	0.67	15,978	18,375
Northwest Territories	6.90	6.00	40,299	46,344
Nunavut	3.00	2.61	40,299	46,344

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 health 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 2026").

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) Ontario's DTC rate that applies to non-eligible dividends will decrease to 1.99% (from 2.99%), effective January 1, 2027.

(4) Quebec's DTC rate that applies to non-eligible dividends will decrease to 2.69% (from 3.42%), effective January 1, 2027.

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Automobiles—Deductions and Benefits

	2025	2026
Deduction limits[1]		
Maximum cost for capital cost allowance purposes[2]	$38,000	$39,000
Maximum cost for eligible zero-emission passenger vehicles[2]	$61,000	$61,000
Maximum deductible monthly lease payment[3]	$1,100	$1,100
Maximum deductible monthly interest cost on automobile loans[4]	$350	$350
Maximum deductible allowances paid to employees[5]		
First 5,000 employment-related kilometres	72¢/76¢	73¢/77¢
Each additional employment-related kilometre	66¢/70¢	67¢/71¢
Taxable benefits		
Standby charge benefit[6]		
Employer-owned automobile	2% per month of original cost	
Employer-leased automobile	2/3 of monthly lease cost	
Operating cost benefit per kilometre of personal use[6]	34¢	34¢
Allowances[7]		
	Taxable with certain exceptions	

Notes

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

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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 $39,000 (from $38,000) plus all applicable federal and provincial sales taxes for 2026. 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 federal government re-instated the accelerated investment incentive, now called the Reaccelerated Investment Incentive (RAII), for eligible property acquired on or after January 1, 2025 that becomes available for use before 2030. Under the RAII, the first-year CCA rate for qualifying motor vehicles is generally 45% (rather than 15%). The RAII will be phased out starting in 2030 and fully eliminated for property that becomes available for use after 2033.

The federal government also re-instated 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 will be phased out starting in 2030 and fully eliminated for zero-emission vehicles that become available for use after 2033.

Eligible zero-emission passenger vehicles include plug-in hybrids with a battery capacity of at least 7kWh and vehicles that are fully electric or fully powered by hydrogen.

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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 remains at $1,100 for 2026.

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

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

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

(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., 77 cents for the first 5,000 kilometres and 71 cents for each additional kilometre in 2026).

(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 2026. For taxpayers who are employed principally in selling or leasing automobiles, a reduced rate of 31 cents per kilometre in 2026 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.

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Old Age Security Benefits

Monthly Payments by Quarter	Old Age Security (OAS)[1]		Guaranteed Income Supplement (GIS)[2]			
			Single		Married	
	2025	2026	2025	2026	2025	2026
1st	$727.67	$742.31	$1,086.88	$1,108.74	$654.23	$667.41
2nd	727.67	743.05	1,086.88	1,109.85	654.23	668.08
3rd	734.95	751.97	1,097.75	1,123.17	660.78	676.09
4th	740.09	TBA	1,105.43	TBA	665.41	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 2026 will therefore be $827.17 (instead of $751.97) for seniors eligible for the 10% increase.

For 2026, if an individual's net income (including OAS pension) is greater than $95,323, 15% of the excess over this amount must be repaid. The full OAS pension is eliminated when net income reaches $155,109 for pensioners aged 65 to 74 and $161,088 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.

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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 2026 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 $22,800.
- Married individuals where both spouses/partners receive OAS benefits—combined net income (excluding OAS and GIS) must be less than $30,096.

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 2026 must be less than $42,144.

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.

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Retirement and Savings Plans—Contribution Limits[1]

	2024	2025	2026
Money Purchase Registered Pension Plans			
Contribution limit[1]	$32,490	$33,810	$35,390
Pensionable earnings[2]	180,500	187,833	196,611
Registered Retirement Savings Plans			
Contribution limit[3]	31,560	32,490	33,810
Previous year's earned income[4]	175,333	180,500	187,833
Deferred Profit Sharing Plans			
Contribution limit[5]	16,245	16,905	17,695
Pensionable earnings[6]	90,250	93,917	98,306
Tax-Free Savings Account			
Annual contribution limit[7]	7,000	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 money purchase RPP contribution limit for the year.

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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.

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Instalment Requirements[1]

Payment Due Dates

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

Tax Instalment Choices

Calculation Options	Amount Of Quarterly Payment
Current year estimate	¼ on each quarterly due date[5,6]
Prior year method	¼ on each quarterly due date[5,6]
Second preceding year method	Q1 and Q2 based on second preceding year, and Q3 and Q4 based on prior year[5,6]
Tax authority reminder notices (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.

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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.

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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.

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Filing and Payment Deadlines and Penalties—Personal Tax Returns

	Deadlines and Penalties
Filing of Returns[1]	
Federal and Quebec	
General	April 30
Self-employed person and their spouse	June 15
Final Payment of Tax[2]	
Federal and Quebec	
General	April 30
Self-employed person and their spouse	April 30
Late Filing Penalty	
Federal and Quebec	5% plus 1% per complete month while failure continues (not exceeding 12 months) of unpaid tax
Federal—Second occurrence	10% plus 2% per complete month while failure continues (not exceeding 20 months) of unpaid tax
Notice of Objection	
Federal and Quebec	Later of: (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.

(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.

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Corporations

2

Table of Contents

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Federal and Provincial/Territorial Tax Rates for Income Earned by a CCPC—2026 and 2027[1]

	Small Business Income up to $500,000[2,4]	Active Business Income[3,4]	Investment Income[5]
Federal rates			
General corporate rate	38.0%	38.0%	38.0%
Federal abatement	(10.0)	(10.0)	(10.0)
	28.0	28.0	28.0
Small business deduction[6]	(19.0)	0.0	0.0
Rate reduction[7]	0.0	(13.0)	0.0
Refundable tax[8]	0.0	0.0	10.7
	9.0	15.0	38.7
Provincial rates			
British Columbia	2.0%	12.0%	12.0%
Alberta	2.0	8.0	8.0
Saskatchewan	1.0	12.0	12.0
Manitoba	0.0	12.0	12.0
Ontario[9]	3.2/2.2	11.5	11.5
Quebec[10]	3.2/2.2	11.5	11.5
New Brunswick	2.5	14.0	14.0
Nova Scotia	1.5	14.0	14.0
Prince Edward Island	1.0	15.0	15.0
Newfoundland and Labrador[11]	2.0/1.5	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, except for the rate change described in the note for Quebec.

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Combined Federal and Provincial/Territorial Tax Rates for Income Earned by a CCPC—2026 and 2027

	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	10.0	27.0	50.7
Manitoba	9.0	27.0	50.7
Ontario[9]	12.2/11.2	26.5	50.2
Quebec[10]	12.2/11.2	26.5	50.2
New Brunswick	11.5	29.0	52.7
Nova Scotia	10.5	29.0	52.7
Prince Edward Island	10.0	30.0	53.7
Newfoundland and Labrador[11]	11.0/10.5	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".

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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).

The small business income threshold is $700,000 in Nova Scotia. 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).

The small business income threshold is $600,000 in Prince Edward Island. 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).

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%.

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Notes, continued

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

(9) Ontario decreased the province's small business income tax rate to 2.2% (from 3.2%) effective July 1, 2026.

(10) Quebec decreased the province's small business income tax rate to 2.2% (from 3.2%) effective for taxation years that begin after April 29, 2026.

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

(11) Newfoundland and Labrador decreased the province's small business income tax rate to 2% (from 2.5%) effective January 1, 2026. The small business income tax rate will further decrease to 1.5% (from 2%) effective January 1, 2027 and to 1% (from 1.5%) effective January 1, 2028.

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Substantively Enacted[1] Income Tax Rates for Income Earned by a CCPC[2] for 2026 and Beyond—As at June 30, 2026

	Small Business Income[4]		Active Business Income[3,4]	
	2026	2027 and Beyond	2026	2027 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
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]	3.2/2.2	2.2	11.5	11.5
Quebec[12]	3.2/2.2	2.2	11.5	11.5
New Brunswick	2.5	2.5	14.0	14.0
Nova Scotia[13]	1.5	1.5	14.0	14.0
Prince Edward Island[14]	1.0	1.0	15.0	15.0
Newfoundland and Labrador[15]	2.0	1.5/1.0	15.0	15.0
Territorial rates				
Yukon[16]	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, except for the rate change described in the note for Quebec. The tax rates in this table reflect federal and provincial/territorial income tax rate changes that were substantively enacted as at June 30, 2026.

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	M&P Income[8]		Investment Income[5]	
	2026	2027 and Beyond	2026	2027 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]	15.0	15.0	15.0	15.0
Newfoundland and Labrador[15]	15.0	15.0	15.0	15.0
Territorial rates				
Yukon[16]	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, 2026.

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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.

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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 (NERDTOH) account. When non-eligible dividends are paid out to shareholders, a dividend refund equal to the lesser of 38 1/3% of the dividends paid or the combined balance in NERDTOH and eligible refundable dividend tax on hand (ERDTOH) accounts is refunded to the corporation. The dividend refund on non-eligible dividends must come out of the corporation's NERDTOH account before it comes out of the corporation's ERDTOH account.

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Notes, continued

(10) 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 decreased the province's small business income tax rate to 2.2% (from 3.2%) effective July 1, 2026. This change was substantively enacted on March 26, 2026 and enacted on April 24, 2026.

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 decreased the province's small business income tax rate to 2.2% (from 3.2%) effective for taxation years that begin after April 29, 2026. This change was substantively enacted on May 12, 2026 but was not yet enacted as at June 30, 2026.

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) The small business income threshold is $700,000 in Nova Scotia. 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).

(14) The small business income threshold is $600,000 in Prince Edward Island. 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).

(15) Newfoundland and Labrador decreased the province's small business income tax rate to 2% (from 2.5%) effective January 1, 2026. The small business income tax rate will further decrease to 1.5% (from 2%) effective January 1, 2027 and to 1% (from 1.5%) effective January 1, 2028. These changes were substantively enacted on May 19, 2026 and enacted on June 2, 2026.

(16) 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%.

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Small Business Income Thresholds for 2026 and Beyond[1]

	2026 and beyond ($000)
Federal	$500
British Columbia	500
Alberta	500
Saskatchewan	600
Manitoba	500
Ontario	500
Quebec[2]	500
New Brunswick	500
Nova Scotia	700
Prince Edward Island	600
Newfoundland and Labrador	500
Yukon	500
Northwest Territories	500
Nunavut	500

Refer to notes on the following page.

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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 is 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.

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Federal and Provincial/Territorial Tax Rates for Income Earned by a General Corporation—2026 and 2027[1]

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

Refer to notes on the following pages.

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

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Combined Federal and Provincial/Territorial Tax Rates for Income Earned by a General Corporation—2026 and 2027

	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	30.0	30.0	30.0
Newfoundland and Labrador	30.0	30.0	30.0
Territorial rates			
Yukon[8]	17.5	27.0	27.0
Northwest Territories	26.5	26.5	26.5
Nunavut	27.0	27.0	27.0

Notes

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

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".

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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.

Bank and life insurer groups are also subject to an additional 1.5% federal income tax on taxable income earned in excess of 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) 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%.

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Substantively Enacted[1] Income Tax Rates for Income Earned by a General Corporation[2] for 2026 and Beyond—As at June 30, 2026

	Active Business Income[3]	
	2026	2027 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	15.0	15.0
Newfoundland and Labrador	15.0	15.0
Territorial rates		
Yukon[9]	12.0	12.0
Northwest Territories	11.5	11.5
Nunavut	12.0	12.0

Refer to notes on the following pages.

All rates must be prorated for taxation years that straddle the effective date of the rate changes. The tax rates in this table reflect federal and provincial/territorial income tax rate changes that were substantively enacted as at June 30, 2026 .

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	M&P Income		Investment Income[4]	
	2026	2027 and Beyond	2026	2027 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	15.0	15.0	15.0	15.0
Newfoundland and Labrador	15.0	15.0	15.0	15.0
Territorial rates				
Yukon[9]	2.5	2.5	12.0	12.0
Northwest Territories	11.5	11.5	11.5	11.5
Nunavut	12.0	12.0	12.0	12.0

Refer to notes on the following pages.

All rates must be prorated for taxation years that straddle the effective date of the rate changes. The tax rates in this table reflect federal and provincial/territorial income tax rate changes that were substantively enacted as at June 30, 2026.

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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".

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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.

Bank and life insurer groups are also subject to an additional 1.5% federal income tax on taxable income earned in excess of 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) 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%.

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Capital Tax Rates—Financial Institutions[1]

	Federal Part VI Tax[2]	Sask.[3]	Man.[4]	Ont.[5]
Type of Entity				
Bank	✓	✓	✓	
Loan or trust	✓	✓	✓	
Life insurance	✓			✓
Investment dealer		✓		
Tax rates				
2024	1.25%	0.7/4.0%	6.0%	1.25%
2025	1.25	0.7/4.0	6.0	1.25
2026	1.25	0.7/4.0/ 6.0	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's 2026 budget proposed to increase the capital tax rate applicable to large financial institutions to 6.0% (from 4%) for taxation years beginning on or after April 1, 2026. The amendment has not been enacted as of April 30, 2026.

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. Saskatchewan's 2026 budget proposed to eliminate the provincial capital tax for small financial institutions for taxation years ending on or after April 1, 2026. The amendment has not been enacted as of April 30, 2026.

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.

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	Que.[6]	N.B.[7]	N.S.[8]	P.E.I.[9]	Nfld.[10]
Type of Entity					
Bank		✓	✓	✓	✓
Loan or trust		✓	✓	✓	✓
Life insurance	✓				
Investment dealer					
Tax rates					
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
2026	1.25	5.0/4.0	4.0/ 6.0	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 increased the capital tax rate applicable to financial institutions to 6.0% (from 4%) for taxation years beginning on or after November 1, 2026.

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.

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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).

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Federal Research and Development (R&D) Tax Incentives

Federal Investment Tax Credits (ITCs)[1]				
Type of Entity	ITC Rate on Total Expenditures up to Expenditure Limit[2]	Refund Rate[3]	ITC Rate on Total Expenditures in Excess of Expenditure Limit[2]	Refund Rate
Qualifying CCPCs[2]	35%	100%	15%	40%
Eligible Canadian public corporations[2]	35	100	15	—
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) For taxation years commencing on or after December 16, 2024:

- The expenditure limit is generally $6 million and applies to both current and capital expenditures. 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 ability to earn refundable tax credits at the 35% federal rate is extended to eligible Canadian Public Corporations on expenditures incurred up to the expenditure limit.
- The phase out of the expenditure limit continues to apply and will be extended to include eligible Canadian Public Corporations as well as CCPCs. The expenditure limit is phased out for CCPCs with taxable capital employed in Canada of between $15 and $75 million in the prior year (on an associated group basis), and for eligible Canadian public corporations with average gross revenue over the three preceding years between $15 million and $75 million (on a consolidated group basis). CCPCs have the option of determining the threshold based on taxable capital or by electing to have the annual average revenue test apply. The expenditure limit is reduced by $1 for every $10 by which taxable capital or average gross revenue exceeds the $15 million threshold. The ability to claim the 35% ITC rate and related ITC refund on expenditures is eliminated once prior year taxable capital or three-year average gross revenue exceed $75 million.

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- Capital and lease expenditures are reinstated as being eligible under the program with rules similar to the pre-2014 eligibility criteria.

For taxation years commencing prior to December 16, 2024:

- The expenditure limit is generally $3 million and applies to current expenditures (capital expenditures are not eligible). The expenditure limit must be shared and allocated among associated corporations. However, CCPCs that are associated due to a group of unconnected investors, such as venture capital investors, do not have to share the limit provided that the CRA is satisfied that the group of investors was not formed to gain access to multiple expenditure limits.
- The expenditure limit is phased out for CCPCs with taxable capital employed in Canada of between $10 and $50 million in the prior year (on an associated group basis). The expenditure limit is reduced by $0.75 for every $10 by which taxable capital exceeds $10 million. The ability to claim the 35% ITC rate and related 100% ITC refund on current expenditures is eliminated once prior year taxable capital exceeds $50 million.

Federal R&D expenditure pool

Eligible Canadian R&D expenditures for taxation years that begin on or after December 16, 2024 include current and capital expenditures (for taxation years commencing prior to that date, only current expenditures were eligible). These costs are aggregated in a pool each year and may be deducted in whole or in part.

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

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- 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).

Qualifying capital R&D expenditures

For taxation years beginning on or after December 16, 2024, Qualifying Canadian capital expenditures include the following:

- Capital items that are used all or substantially all (90% or more) in their useful life in qualifying SR&ED are eligible for inclusion
- Capital items used between 50% and 90% may be eligible for inclusion as shared use assets where ¼ of the cost is eligible in the first year and a further ¼ in the second year if the qualification standard continues to be met
- Lease costs for assets used all or substantially all in SR&ED are eligible for inclusion in the claim
- 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.

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.

(3) The refund rate is 40% for SR&ED capital expenditures of qualifying CCPCs and eligible Canadian public corporations (up to the expenditure limit).

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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 R&D, innovation and pre-commercialization (CRIC)[8]	20%/30%	Effective for fiscal years starting after March 25, 2025. Refundable tax credit for salaries and wages and certain other expenditures incurred for eligible innovation activities in Quebec, including SR&ED and qualifying pre-commercialization activities. Claimants required to have a permanent establishment in Quebec to claim eligible expenditures incurred in Quebec
New Brunswick[9]	15%	Refundable tax credit for eligible expenditures incurred in New Brunswick by a corporation with a PE in the province
Nova Scotia[9]	15%	Refundable tax credit for eligible expenditures incurred in Nova Scotia by a corporation with a PE in the province
Newfoundland and Labrador[9,10]	15%	Refundable tax credit for eligible expenditures incurred in Newfoundland and Labrador by a corporation with a PE in the province
Yukon[9,11]	15%/20%	Refundable tax credit for eligible expenditures incurred in Yukon by a corporation with a PE in the territory

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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 2026 Budget made permanent the province's SR&ED tax credit (previously set to expire on September 1, 2027), introduced enhancements to the credit and extended the province's refundable SR&ED tax credit to eligible Canadian public corporations, consistent with the federal SR&ED program. For more details on the federal changes, see table "Federal Research and Development (R&D) Tax Incentives"

(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. Saskatchewan's 2026 budget proposed to increase the annual limit to $2 million. 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.

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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.

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Notes, continued

(8) The refundable tax credit for R&D, innovation and pre-commercialization (CRIC) is available for certain expenditures relating to R&D activities and qualifying pre-commercialization activities. The credit is available at a rate of 30% on the first $1 million of qualified expenditures and 20% on qualified expenditures in excess of $1 million, for both CCPCs and general corporations. Where applicable, the exclusion threshold—calculated based on a prescribed annual amount per eligible employee and prorated according to SR&ED hours claimed—is first applied against expenditures exceeding the $1 million expenditure limit, thereby preserving eligibility for the full 30% credit rate on the first $1 million of qualified expenditures. CRIC claimants must have a permanent establishment in Quebec to claim eligible expenditures incurred in the province. Eligible expenditures include salaries and wages, 50% of eligible subcontractor costs, and certain capital expenditures, subject to applicable restrictions. The CRIC applies to taxation years or fiscal periods beginning after March 25, 2025.

The exclusion threshold for purposes of the CRIC is the greater of:

- The sum of the basic personal amount for each employee for which the CRIC is claimed (for 2026, the amount is $18,952), adjusted in proportion to the employee's time spent on R&D and pre-commercialization activities; or
- $50,000.

The CRIC credit is taxable for Quebec income tax purposes. It is considered government assistance for federal income tax purposes and reduces federal expenditures for both the R&D pool and ITCs.

(9) 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.

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

(11) 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.

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

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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

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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	$6	$5	$7
Total tax savings					
Federal tax savings	$448	$453	$453	$540	$453
Provincial/territorial tax savings	236	221	218	5	219
Total savings	$684	$674	$671	$545	$672
Net after-tax cost of R&D	$316	$326	$329	$455	$328

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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

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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, 2026 (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 that reduces qualified expenditures for CRIC purposes has not been applied. The exclusion threshold is based on the prescribed annual amount per eligible employee, prorated according to the employee's SR&ED hours claimed during the year, and reduces the amount of expenditures eligible for the credit. The CRIC rates are the same for both CCPCs and general corporations: 30% on the first $1 million of qualified expenditures, and 20% on qualified expenditures exceeding $1 million (net of the applicable exclusion threshold).

(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.

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

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

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General Corporations[6]	Ont.[7]	Que.[8]	N.B.	N.S.
R&D expenditures	$1,000	$1,000	$1,000	$1,000
Provincial/territorial ITC	(49)	(150)	(212)	(212)
Federal ITC @ 15%	(205)	(189)	(180)	(180)
Federal tax deduction	746	661	608	608
Federal taxes saved	$112	$99	$91	$91
Provincial/territorial taxes saved	$86	$76	$85	$85
Total tax savings				
Federal tax savings	$317	$288	$271	$271
Provincial/territorial tax savings	135	226	297	297
Total savings	$452	$514	$568	$568
Net after-tax cost of R&D	$548	$486	$432	$432

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General Corporations[6]	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	$118	$91	$73	$91	$95
Total tax savings					
Federal tax savings	$330	$271	$271	$330	$330
Provincial/territorial tax savings	118	303	285	91	95
Total savings	$448	$574	$556	$421	$425
Net after-tax cost of R&D	$552	$426	$444	$579	$575

Refer to notes on the following pages.

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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, 2026 (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 $75 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 exclusion threshold that reduces qualified expenditures for CRIC purposes has not been applied. The exclusion threshold is based on the prescribed annual amount per eligible employee, prorated according to the employee's SR&ED hours claimed during the year, and reduces the amount of expenditures eligible for the credit. The CRIC rates are the same for both CCPCs and general corporations: 30% on the first $1 million of qualified expenditures, and 20% on qualified expenditures exceeding $1 million (net of the applicable exclusion threshold).

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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 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).

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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, 2025, its instalments for its 2026 taxation year are due on the ninth day of each month (e.g., November 9, December 9, etc.). If the corporation is an eligible CCPC (see note (3)), the payments are due on the ninth day of each quarter (i.e., January 9, April 9, July 9 and October 9). If the payment due date falls on a Saturday, Sunday or public holiday, the payment is due by the next business day. Corporations are not required to segregate or identify the type of tax that is being paid (i.e., Parts I, VI, VI.1 or XIII.1 tax) as all payments are included in one corporate account.

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

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

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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.

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Provincial and Territorial Income Tax Instalments[1]

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

Notes

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

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

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

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

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

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

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

- Taxable income for the current year does not exceed $500,000 and the Alberta small business deduction is claimed in the current year, or
- Taxable income for the previous year did not exceed $500,000 and the Alberta small business deduction was claimed in the previous year, or
- Its tax payable for the taxation year is not greater than the $2,000 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.

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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.

(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 2026 and Beyond") on an associated group basis in the preceding year, and must claim the small business deduction in the current or the preceding year.

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

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Notes, continued

(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 by email or by registered mail. 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) either using the online service in My Account, mailing in the MR-93.1.1-V form or sending a generic letter detailing the facts. If filing Form MR-93.1.1-V, it must also 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.

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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 on all payroll and GST/HST accounts (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.

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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.

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Income tax administration and policy

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Prescribed Interest Rates—2025[1]

	Jan. to Mar. (Q1)	Apr. to Jun. (Q2)	Jul. to Sept. (Q3)	Oct. to Dec. (Q4)
Federal[2]				
Base rate	4.0%	4.0%	3.0%	3.0%
Tax debts	8.0	8.0	7.0	7.0
Tax refunds – corporations	4.0	4.0	3.0	3.0
Tax refunds – other taxpayers	6.0	6.0	5.0	5.0
Pertinent loans or indebtedness (PLOI)[3]	7.78	7.08	6.62	6.69
Alberta[4]				
Tax debts	8.0	8.0	7.0	7.0
Tax refunds	2.0	2.0	1.5	1.5
Quebec[5]				
Tax debts	9.0	8.0	8.0	8.0
Tax refunds	3.5	3.5	3.0	3.0

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.

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Prescribed Interest Rates—2026[1]

	Jan. to Mar. (Q1)	Apr. to Jun. (Q2)	Jul. to Sept. (Q3)	Oct. to Dec. (Q4)
Federal[2]				
Base rate	3.0%	3.0%	3.0%	TBA
Tax debts	7.0	7.0	7.0	TBA
Tax refunds – corporations	3.0	3.0	3.0	TBA
Tax refunds – other taxpayers	5.0	5.0	5.0	TBA
Pertinent loans or indebtedness (PLOI)[3]	6.36	6.20	6.30	TBA
Alberta[4]				
Tax debts	7.0	7.0	7.0	TBA
Tax refunds	1.5	1.5	1.5	TBA
Quebec[5]				
Tax debts	8.0	7.0	7.0	TBA
Tax refunds	2.75	2.75	3.0	TBA

TBA = To be announced

Notes, continued

(3) The prescribed interest quarterly rate is used to determine the deemed interest income inclusion from a pertinent loan or indebtedness (PLOI). This rate is generally the average yield of Government of Canada 90-day Treasury Bills sold during the first month of the preceding quarter (rounded to two decimal places) plus 4%.

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

(5) 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.

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Prescribed Interest Rates for Capital Taxes—2025[1]

	Jan. to Mar. (Q1)	Apr. to Jun. (Q2)	Jul. to Sept. (Q3)	Oct. to Dec. (Q4)
Saskatchewan				
Tax Debts	8.45%	8.45%	7.95%	7.95%
Tax Refunds	5.45	5.45	4.95	4.95
Manitoba[2]				
Tax Debts	8.45	8.45	7.95	7.95
Tax Refunds	N/A	N/A	N/A	N/A
Ontario[3]				
Tax Debts	8.0	8.0	7.0	7.0
Tax Refunds	4.0	4.0	3.0	3.0
Quebec[4]				
Tax Debts	9.0	8.0	8.0	8.0
Tax Refunds	3.5	3.5	3.0	3.0
New Brunswick[2]				
Tax Debts	0.7591% per month	0.7591% per month	0.7591% per month	0.7591% per month
Tax Refunds	N/A	N/A	N/A	N/A
Nova Scotia[3]				
Tax Debts	8.0	8.0	7.0	7.0
Tax Refunds	4.0	4.0	3.0	3.0
Prince Edward Island[5]				
Tax Debts	1.5% per month	1.5% per month	1.5% per month	1.5% per month
Tax Refunds	1.5% per month	1.5% per month	1.5% per month	1.5% per month
Newfoundland and Labrador[3]				
Tax Debts	8.0	8.0	7.0	7.0
Tax Refunds	4.0	4.0	3.0	3.0

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.

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Prescribed Interest Rates for Capital Taxes—2026

	Jan. to Mar. (Q1)	Apr. to Jun. (Q2)	Jul. to Sept. (Q3)	Oct. to Dec. (Q4)
Saskatchewan				
Tax Debts	7.95%	7.95%	TBA	TBA
Tax Refunds	4.95	4.95	TBA	TBA
Manitoba[2]				
Tax Debts	7.20	7.20	TBA	TBA
Tax Refunds	N/A	N/A	TBA	TBA
Ontario[3]				
Tax Debts	7.0	7.0	7.0	TBA
Tax Refunds	3.0	3.0	3.0	TBA
Quebec[4]				
Tax Debts	8.0	7.0	TBA	TBA
Tax Refunds	2.75	2.75	TBA	TBA
New Brunswick[2]				
Tax Debts	0.7591% per month	0.7591% per month	TBA	TBA
Tax Refunds	N/A	N/A	TBA	TBA
Nova Scotia[3]				
Tax Debts	7.0	7.0	7.0	TBA
Tax Refunds	3.0	3.0	3.0	TBA
Prince Edward Island[5]				
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 Labrador[3]				
Tax Debts	7.0	7.0	7.0	TBA
Tax Refunds	3.0	3.0	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.

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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 In the case of an estate or trust, no later than 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

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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
GloBE Information Return (GIR), Global Minimum Tax Return or GIR Notification[6]	For the first year that a multinational enterprise (MNE) group is subject to the Global Minimum Tax, 18 months after the last day of the fiscal year For subsequent years, 15 months after the last day of the fiscal year
RC4649 Country-by-Country Report	Within 12 months of taxpayer's year-end

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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.

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. The CRA announced that bare trusts are not required to file a T3 return and Schedule 15 for the 2023, 2024, and 2025 taxation years, unless the CRA makes a direct request for these filings. Legislation enacted on March 26, 2026 amended the filing exceptions that provide relief from the requirement to file a T3 return and/or Schedule 15, known as "the listed trust exceptions", among other matters. These rules apply to Canadian-resident express and non-express trusts, certain civil law trusts, and non-resident trusts that are required to file a T3 return. A non-express trust or non-resident trust may be exempt from filing a T3 return (and Schedule 15) where it has no taxes payable, no taxable capital gains, and no dispositions of capital property. Where a non-express trust or non-resident trust is required to file a T3 return, it may still be exempt from filing Schedule 15 if it qualifies for a listed trust exemption. A Canadian-resident trust must qualify for a listed trust exemption as well as have no taxes payable, no taxable capital gains, and no dispositions of capital property in order to be exempt from filing a T3 return. A Canadian-resident trust that is required to file a T3 return as a result of having taxes payable, taxable capital gains, or dispositions of capital property may still be exempt from filing Schedule 15 if it qualifies for a listed trust exemption. A bare trust is generally considered to be an express trust, with limited exceptions, starting in the 2026 taxation year.

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Notes, continued

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

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

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

(6) The Global Minimum Tax generally applies to qualifying multinational enterprise (MNE) groups with consolidated financial statement revenues of at least €750 million in at least two of the last four fiscal years. The tax applies to qualifying MNE groups for fiscal years that begin on or after December 31, 2023 For example, for a December 31 year end MNE group, the filings for the 2024 fiscal year are due June 30, 2026 (18 months after fiscal year-end). For the 2026 fiscal year, the filings will be due March 31, 2027 (15 months after fiscal year-end). The type of filings (GloBE Information Return (GIR), Global Minimum Tax Return or GIR Notification) required in Canada are dependent on the MNE group's circumstances.

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Selected Federal Penalty and Offence Provisions

Description	Penalty/Offence
Failure and repeated failure to file income tax returns[9]	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]

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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

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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) For several information slips, the penalty is instead the greater of $100 and a per-slip daily amount based on the number of slips filed late, ranging from $10 to $75 per slip, subject to a maximum. However, the CRA has a relieving administrative position on late-filing penalties for certain slips (NR4, T4, T4A, T4E, T5 and T5018) when the number of slips filed late is 50 or less. Since each slip is considered to be one information return, the CRA's administrative practice is to reduce the penalty per slip based on the number of slips filed late. For businesses late filing between 1 to 5 slips, the maximum penalty assessed is $100.

In 2011, the CRA introduced a moratorium on assessing penalties for failing to complete box 048, Fees for Services, on the T4A slip. The moratorium remains in place for all industries with the exception of the trucking industry where the CRA announced in December of 2025 that it will assess penalties and interest for businesses in the trucking sector if they fail to report services exceeding $500 in a calendar year that are made to a Canadian-controlled private corporation (CCPC) in the trucking industry.

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

Trusts, 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, 2024, and 2025 taxation years, unless the CRA makes a direct request for these filings. Legislation was enacted on March 26, 2026 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. 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.

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Notes, continued

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.

(9) Taxpayers that have obligations under the Global Minimum Tax may be subject to penalties and interest that are provided for separately by Canada's Global Minimum Tax Act.

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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

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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").

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International

4

Table of Contents

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

Country[2]	Interest[3]	Dividends[4]	Royalties[5]
Algeria	15%	15%	0/15%
Argentina[6]	12.5	10/15	3/5/10/15
Armenia	10	5/15	10
Australia	10	5/15	10
Austria	10	5/15	0/10
Azerbaijan	10	10/15	5/10
Bangladesh	15	15	10
Barbados	15	15	0/10
Belgium[7]	10	5/15	0/10
Brazil	15	15/25	15/25
Bulgaria[6]	10	10/15	0/10
Cameroon[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

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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)

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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

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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

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(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, 2026, 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.

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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 wfith 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%.

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U.S. Federal Personal Income Tax Rates—2026

Single taxpayers

If Taxable Income Is Over	But Not Over	The Tax Rate Is	Of the Amount Over
$0	$12,400	10%	$0
12,400	50,400	$1,240.00 + 12%	12,400
50,400	105,700	5,800.00 + 22%	50,400
105,700	201,775	17,966.00 + 24%	105,700
201,775	256,225	41,024.00 + 32%	201,775
256,225	640,600	58,448.00 + 35%	256,225
640,600		192,979.25 + 37%	640,600

Married individuals filing joint returns

If Taxable Income Is Over	But Not Over	The Tax Rate Is	Of the Amount Over
$0	$24,800	10%	$0
24,800	100,800	$2,480.00 + 12%	24,800
100,800	211,400	11,600.00 + 22%	100,800
211,400	403,550	35,932.00 + 24%	211,400
403,550	512,450	82,048.00 + 32%	403,550
512,450	768,700	116,896.00 + 35%	512,450
768,700		206,583.50 + 37%	768,700

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Married individuals filing separate returns

If Taxable Income Is Over	But Not Over	The Tax Rate Is	Of the Amount Over
$0	$12,400	10%	$0
12,400	50,400	$1,240.00 + 12%	12,400
50,400	105,700	5,800.00 + 22%	50,400
105,700	201,775	17,966.00 + 24%	105,700
201,775	256,225	41,024.00 + 32%	201,775
256,225	384,350	58,448.00 + 35%	256,225
384,350		103,291.75 + 37%	384,350

Heads of households

If Taxable Income Is Over	But Not Over	The Tax Rate Is	Of the Amount Over
$0	$17,700	10%	$0
17,700	67,450	1,770.00 + 12%	17,700
67,450	105,700	7,740.00 + 22%	67,450
105,700	201,750	16,155.00 + 24%	105,700
201,750	256,200	39,207.00 + 32%	201,750
256,200	640,600	56,631.00 + 35%	256,200
640,600		191,171.00 + 37%	640,600

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

Ordinary income tax rates

For the 2026 tax year, the federal income tax rate structure remains unchanged at 10%, 12%, 22%, 24%, 32%, 35%, and 37%, as the One Big Beautiful Bill Act permanently extended the Tax Cuts and Jobs Act (TCJA) provisions.

Taxation of capital gains

Net long-term capital gains generally continue to be taxed at 0%, 15%, or 20%, with separate inflation-adjusted breakpoint amounts for 2026. For 2026, the maximum zero-rate amount is $98,900 for married taxpayers filing jointly or surviving spouses, $49,450 for married taxpayers filing separately, $66,200 for heads of household, and $49,450 for all other individuals. The maximum 15% rate amount is $613,700 for married taxpayers filing jointly or surviving spouses, $306,850 for married taxpayers filing separately, $579,600 for heads of household, and $545,500 for all other individuals. Amounts above the 15% breakpoint are generally taxed at 20%.

Not all long-term capital gains are taxed at the general 0% / 15% / 20% rates. 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 unrecaptured §1250 gain from depreciable real property is generally taxed at a maximum 25% rate.

Special rules also apply to sales of principal residences. Under §121, 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 same preferential rates that generally apply to net capital gain depending on taxable income. Dividends that are not qualified dividends are not eligible for the capital gains rates and are taxed as ordinary income.

To be qualified, dividends generally must be paid by a U.S. corporation or a qualified foreign corporation, and the shareholder must satisfy the applicable holding-period requirement—generally, more than 60 days during the 121-day period beginning 60 days before the ex-dividend date. Dividends from passive foreign investment companies are not qualified dividends.

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.

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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

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

Social Security and Medicare Taxes

	Wage Base Limit	Tax Rate		Maximum Annual Contribution	
		Employee	Employer	Employee	Employer
2024	Up to $168,600	7.65	7.65	$12,898	$12,898
	168,601 to 200,000[2]	1.45	1.45	455[3]	455[3]
	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[4]	346[4]
	Over 200,000[2]	2.35	1.45	N/A	N/A
2026	Up to $184,500	7.65	7.65	$14,114	$14,114
	184,501 to 200,000[2]	1.45	1.45	225[5]	225[5]
	Over 200,000[2]	2.35	1.45	N/A	N/A

Please note that wages above $200,000 are still subject to employee Medicare tax at 2.35% and employer Medicare tax at 1.45%, with no cap.

Self-employment Tax

	Net Earnings Limit	Self-employed Tax Rate	Maximum Annual Contribution
2024	Up to $168,600	15.3	$24,511
	168,601 to 200,000[2]	2.9	911[3]
	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[4]
	Over 200,000[2]	3.8	N/A
2026	Up to $184,500	15.3	$28,229
	184,501 to 200,000[2]	2.9	450[5]
	Over 200,000[2]	3.8	N/A

Medicare tax (2.9%) and the Additional Medicare Tax (0.9% on earnings above $200,000) are not subject to an annual maximum and apply to all net earnings. The concept of a "maximum contribution" applies only to the Social Security portion (12.4%), which is capped at the applicable annual wage base.

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(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) 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

(4) 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

(5) For 2026, the Medicare tax on wages or self-employment income between the Social Security wage base of $184,500 and the Additional Medicare Tax threshold is as follows:

	Employee	Employer	Self-employed
Single filer	$224.75	$224.75	$449.50
Married taxpayers filing a joint return	$949.75	$949.75	$1,899.50
Married taxpayers filing separately	N/A	N/A	N/A

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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 2026, most U.S. citizens and U.S. domiciled decedents will be allowed an estate exemption of $15,000,000, effectively exempting estates of less than that amount from tax. The gift tax exemption amount for 2026 is also $15,000,000. The increase to the basic exclusion amount for 2026 reflects the amendment to IRC § 2010(c)(3) enacted by Public Law 119-21 on July 4, 2025, which set the 2026 basic exclusion amount at $15,000,000, with inflation adjustments beginning in 2027.
- 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 (see below).
- The individual annual exclusion for gifts in 2026 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 2026 is $194,000.
- For non-residents of the US, a unified credit of $13,000 is allowed against the estate tax imposed. If an applicable treaty so requires, the estate may instead be entitled to a prorated share of the applicable credit amount which is based on the ratio of the fair market value of the US situs gross estate over the fair market value of worldwide gross estate.

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Notes, continued

- In 2026, a generation-skipping transfer tax of 40% may 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 $15,000,000. To achieve the attended generation skipping tax result, an allocation of exemption, and in some cases a specific election, may be required on a gift tax return or estate tax return.
- The following table summarizes both the exemption amounts and the highest tax rates for estate and gift taxes, for the years 2021 to 2026. The 'estate exempt amount' is indexed for inflation.

	Lifetime Estate and Gift Exempt Amount	Highest Estate and Gift Tax Rate
2022	12,060,000	40
2023	12,920,000	40
2024	13,610,000	40
2025	13,990,000	40
2026	15,000,000	40

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U.S. Federal Corporate Income Tax Rates—2026

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.

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U.S. State Maximum Personal and Corporate Tax Rates[1]—2026

	Personal Tax Rate	Corporate Tax Rate
Alabama	5.00%	6.50%
Alaska	no income tax	9.40
Arizona	2.50	4.90
Arkansas	3.70[2]	4.30
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	4.99[3]	5.19
Hawaii	11.00	6.40
Idaho	5.30	5.30
Illinois	4.95	9.50
Indiana	2.95[4]	4.90
Iowa	3.80	7.10
Kansas	5.58	7.00[5]

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	Personal Tax Rate	Corporate Tax Rate
Kentucky	3.50%[6]	5.00%
Louisiana	3.00	5.50
Maine	9.15[7]	8.93
Maryland	6.50	8.25
Massachusetts	9.00[8]	8.00
Michigan	4.25	6.00
Minnesota	9.85	9.80
Mississippi	4.00[9]	5.00
Missouri	4.70	4.00
Montana	5.65[10]	6.75
Nebraska	4.55[11]	4.55[11]
Nevada	no income tax	no income tax[12]
New Hampshire	no income tax[13]	7.50
New Jersey	10.75	9.00
New Mexico	5.90	5.90
New York	10.90	7.25
North Carolina	3.99[14]	2.00[14]

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	Personal Tax Rate	Corporate Tax Rate
North Dakota	2.50%	4.31%
Ohio	2.75[15]	no income tax[12]
Oklahoma	4.50[16]	4.00
Oregon	9.90	7.60
Pennsylvania	3.07	7.49[17]
Rhode Island	5.99	7.00
South Carolina	5.21[18]	5.00
South Dakota	no income tax	no income tax
Tennessee	no income tax	6.50
Texas	no income tax	no income tax[12,19]
Utah	4.45[20]	4.50
Vermont	8.75	8.50
Virginia	5.75	6.00
Washington	no income tax	no income tax[12]
West Virginia	4.58[21]	6.50
Wisconsin	7.65	7.90
Wyoming	no income tax	no income tax

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(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, in some jurisdictions, county, or municipal income taxes may apply in addition to state tax, which can increase the combined effective rate (e.g., Indiana and Maryland) and municipal taxes (e.g., New York City). Many states also impose an alternative minimum tax, a gross receipts tax, a capital tax or an intangibles tax. Most states tax capital gains at different rates than ordinary income for individuals but not for corporations.

(2) Arkansas' top personal tax rate decreased to 3.70% (from 3.90%), for tax years beginning on or after January 1, 2026.

(3) Georgia's personal tax rate decreased to 4.99% (from 5.19%) for tax years beginning on or after January 1, 2026.

(4) Indiana's personal tax rate decreased to 2.95% (from 3.00%), for tax years beginning on or after January 1, 2026.

(5) Kansas' corporate tax rate remained at 7.00% for 2026.

(6) Kentucky's personal tax rate decreased to 3.50% (from 4.00%), for tax years beginning on or after January 1, 2026.

(7) Maine's personal tax rate remained 7.15%, however Maine imposed a 2% income tax surcharge for tax years beginning on or after January 1, 2026, which can increase the marginal rate on income above the surcharge threshold from 7.15% to 9.15%.

(8) Massachusetts generally taxes most individual taxable income at 5% in 2026, with a 4% surtax causing the rate on taxable income above $1,107,750 to rise to 9%.

(9) Mississippi's personal tax rate decreased to 4.00% (from 4.40%), for tax years beginning on or after January 1, 2026.

(10) Montana's personal tax rate decreased to 5.65% (from 5.90%), for tax years beginning on or after January 1, 2026.

(11) Nebraska's personal tax rate decreased to 4.55% (from 5.20%), for tax years beginning on or after January 1, 2026.

Nebraska's corporate tax rate decreased to 4.55% (from 5.20%), effective January 1, 2026.

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Notes, continued

(12) 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.

(13) New Hampshire imposes no personal income tax for the 2025 and later years.

(14) North Carolina's personal tax rate decreased to 3.99% (from 4.25%), for tax years beginning on or after January 1, 2026.

North Carolina's corporate tax rate decreased to 2.00% (from 2.25%), effective January 1, 2026.

(15) Ohio's personal tax rate decreased to 2.75% (from 3.50%), for tax years beginning or after January 1, 2026.

(16) Oklahoma's personal tax rate decreased to 4.50% (from 4.75%), for tax years beginning or after January 1, 2026.

(17) Pennsylvania's corporate tax rate decreased to 7.49% (from 7.99%), effective January 1, 2026.

(18) South Carolina's personal tax rate decreased to 5.21% (from 6.20%), for tax years beginning or after January 1, 2026.

(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 $2,650,000 or less owe no tax.

(20) Utah's personal tax rate decreased to 4.45% (from 4.50%), for tax years beginning or after January 1, 2026.

(21) West Virginia's personal tax rate decreased to 4.58% (from 4.82%), for tax years beginning or after January 1, 2026.

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Personal Imports—Personal Exemptions[1]

Length of Absence[2]	Value of Goods	Alcohol	Tobacco and Vaping products[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 Up to 120ml or 120g for a maximum of 12 vaping devices
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 Up to 120ml or 120g for a maximum of 12 vaping devices

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. However, effective September 1, 2025, Canada has removed counter tariffs put in place in March 2025 on most U.S. imports.

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

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Notes, continued

(3) Cigarettes, tobacco sticks or manufactured tobacco included in the personal xemption 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.

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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.

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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.

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Indirect taxes

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Federal and Provincial/Territorial Sales Tax Rates[1]

Provinces and Territories	GST	PST/RST/QST	HST
British Columbia	5% GST	7% PST[2]	
Alberta	5% GST		
Saskatchewan	5% GST	6% PST[3]	
Manitoba	5% GST	7% RST[4]	
Ontario			13% HST
Quebec	5% GST	9.975% QST[5]	
New Brunswick			15% HST
Nova Scotia[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 introduced 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 removed the luxury tax on new qualifying aircraft and boats effective November 5, 2025.

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, since July 1, 2021.

Canada has rescinded its 3% digital services tax (DST) that was to apply on certain revenue streams of certain large businesses before its effective date.

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.

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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. British Columbia will expand the PST to apply to various professional services on October 1, 2026.

(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 introduced RST rules for cloud computing effective January 1, 2026 and a new RST exemption for selected food and beverage effective July 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. Quebec is introducing new QST zero-rated measures for selected food effective July 15, 2026.

(6) Nova Scotia reduced its HST rate to 14% (from 15%) effective April 1, 2025.

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Rebates for Public Service Bodies[1]

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

Notes

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

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

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

(4) New Brunswick 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.

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Prescribed Interest Rates—GST/HST and QST

	GST/HST		QST	
	Tax Refunds	Tax Debts	Tax Refunds	Tax Debts
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
July to September	3.0/5.0	7.0	3.0	8.0
October to December	3.0/5.0	7.0	3.0	8.0
2026				
January to March	3.0/5.0	7.0	2.75	8.0
April to June	3.0/5.0	7.0	2.75	7.0
July to September	3.0/5.0	7.0	3.0	7.0

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

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

Notes

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

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

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

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

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

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

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

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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.

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Provincial Sales Tax/Retail Sales Tax Rates[1]

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

Notes

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

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

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

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

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

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Prescribed Interest Rates—PST/RST[1]

	British Columbia[2] (PST)	Saskatchewan[3] (PST)	Manitoba[4] (RST)
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
July to September	7.95	7.95	7.95
October to December	7.45	7.95	7.95
2026			
January to March	7.45	7.45	7.20
April to June	7.45	7.45	7.20

Notes

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

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

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

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

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Other taxes and levies

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Provincial Payroll and Health Fund Taxes[1]—2026

	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]	$2,500,000[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

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	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

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Notes

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

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

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

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

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

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

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

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

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

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Notes, continued

(8) Manitoba increased the exemption threshold for a business's annual payroll to $2.50 million (from $2.25 million) of annual remuneration and increased the annual payroll threshold below which employers pay a reduced rate to $5.0 million (from $4.5 million), effective January 1, 2026.

Therefore, the Manitoba Health and Post Secondary Education Tax rates for 2026 are as follows:

Total yearly payroll	Tax rate
$2.25 million or less	Exempt
Between $2.50 million and $5.0 million	4.3% on the amount in excess of $2.50 million
Over $5.0 million	2.15% of the total payroll with no exemption amount

If you are associated with other employers, you must share the $2.50 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 2026, remuneration of up to $103,000 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.

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Notes, continued

(13) The Quebec health services fund contribution rates for 2026 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.

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

	Legislation	Property Value	Rate of Tax or Fee[2]
Federal[3]	Underused Housing Tax Act	All residential property situated in Canada	1.0%
British Columbia[4,7]	Property Transfer Tax Act	General	
		Up to $200,000	1.0%
		200,001–2,000,000	2.0
		Over 2,000,000	3.0
		Residential Property	
		Up to $200,000	1.0%
		200,001–2,000,000	2.0
		2,000,001–3,000,000	3.0
		Over 3,000,000	5.0
British Columbia—Specified Areas[5,7]	Property Transfer Tax Act	All values of residential property acquired by foreign purchasers	20%
British Columbia—Specified Areas[6,7]	Speculation and Vacancy Tax Act	All values of certain vacant residential property	1.0% or 3.0%
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	$137 to $144
		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%

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	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 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	$102.56+ HST + 0.5% 1.0 1.5 2.0 0.5 1.0 1.5 2.0 2.5 4.4 5.45 6.5 7.55 8.6
Ontario—City of Toronto[14]	Code Taxation, Municipal Land Transfer Tax	All values of residential property acquired by foreign purchasers	10%
Quebec—Other than City of Montreal[15]	An Act Respecting Duties on Transfers of Immovables	Up to $62,900 62,901–315,000 Over 315,000	0.5% 1.0 1.5
Quebec—City of Montreal[15]	An Act Respecting Duties on Transfers of Immovables	Up to $62,900 62,901–315,000 315,001 – 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
New Brunswick[16]	Real Property Transfer Act	All values	$85 + 1.0%
Nova Scotia[17]	Land Registration Act	All values	$100 + 1% to 1.5%
	Non-resident Deed Transfer Tax Act	All values of residential property acquired by foreign purchasers	10%

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	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 Over $1,000,000 (Proposed)	$77.25 to $463.65 + 1.0% + 1.0%
Newfoundland and Labrador[19]	Registration of Deeds Act	Up to $500 Over 500	$100 $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 $144 + (0.5% × 60,000) + (1.0% × 60,000) = $1,044.

(3) For the 2022 to 2024 calendar years, 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.

Federal Budget 2025 eliminated the UHT rules for the 2025 calendar years and onwards. However, all UHT requirements continue to apply for the 2022 to 2024 calendar years, including penalties and interest.

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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.

Certain limitations on whether the building was previously occupied as a residence will impact on whether the purchase qualifies for the exemption.

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.

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Notes, continued

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

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

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

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

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

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

This tax applies to residential property located in Metro Vancouver, the Capital Regional District (excluding Salt Spring Island, the Southern Gulf Islands and Juan de Fuca), Kelowna and West Kelowna, Nanaimo-Lantzville, Abbotsford, Chilliwack, Mission, Duncan, North Cowichan, Squamish, Ladysmith, Lake Cowichan and Lions Bay. This tax will also apply for the first time to residential property located in Courtney, Kamloops, Parksville, Penticton, Salmon Arm, Vernon (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. For 2026 and subsequent years, the speculation and vacancy tax rate is:

- 1% 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
- 3% 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).

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Notes, continued

British Columbia will increase the latter rate from 3% to 4%, effective January 1, 2027.

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 is eligible for a non-refundable tax credit that is immediately applied against the speculation tax. Starting January 1, 2026, this credit offsets a total of $4,000 in speculation tax payable, ensuring that speculation tax should not apply to a second home valued up to $400,000.

(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) Alberta charges a Land Titles Registration Levy set at $5 per $5,000 (i.e. 0.1%) of the value for property transfers and mortgage registration, effective for transfers starting from October 20, 2024. 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.

(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.

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Notes, continued

(10) Manitoba levies land transfer tax on registered transfers of land based on the value of the property being transferred.
Manitoba extended its land transfer tax regime to capture transfers of beneficial interests in land occurring on or after January 1, 2027 (including where legal title is not changed as it is held by a bare trustee), such that a return must be filed and the tax is payable within 30 days of the acquisition of a beneficial interest in land.
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.

(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. 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.

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Notes, continued

(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.

There are two rebates available for foreign entities that have paid the non-resident speculation tax:

- A rebate may be available for a foreign national that becomes a permanent resident of Canada within four years from the date of purchase/acquisition, holds the property alone or with their spouse only; and meets certain principal residence occupancy requirements; and,
- A new rebate is available for the purchase of residential property that has been reclassified for industrial use, effective for conveyances of property after November 5, 2025.

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Notes, continued

(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 generally harmonized with OLTT rates; however the City has expanded the MLTT brackets applicable to conveyances of land that contain at least one and not more than two single-family residences in comparison to Ontario.

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

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

(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.

(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.

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Notes, continued

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.

Quebec proposed to introduce a new refundable tax credit for access to homeownership that can provide relief from municipal transfer duties for first-time home buyers. Specifically, individuals can benefit where they purchase a qualifying home in Quebec as their first principal residence, or purchase accessible housing for disabled persons. The new refundable tax credit is effective for homes acquired after December 31, 2025, and is limited to $5,875 with a linear reduction for homes with a market value between $750,000 and $1 million. The credit is nil for properties valued at $1 million or more.

(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.

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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%) effective April 28, 2025. 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 at April 30, 2026.

(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 (i.e. 0.1%), 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.

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Probate Fees—2026[1]

Value of Estate					
From	**To**	**B.C.**	**Alta.**	**Sask.**	**Man.**
$0	$5,000	—	$35	$7 per $1,000 rounded to the nearest $1,000	—
5,001	10,000	—	✓	✓	—
10,001	15,000	—	$135	✓	—
15,001	20,000	—	✓	✓	—
20,001	25,000	—	✓	✓	—
25,001	50,000	$6 per $1,000 or part thereof in excess of $25,000	$275	✓	—
50,001	100,000	$150 + $14 per $1,000 or part thereof in excess of $50,000	✓	✓	—
100,001	125,000	✓	✓	✓	—
125,001	150,000	✓	$400	✓	—
150,001	250,000	✓	✓	✓	—
250,001	and over	✓	$525	✓	—
Probate fee for estate of $1,000,000		**$13,450**	**$525**	**$7,000**	**$0**

In the table, the "✓" mark indicates that the applicable rate is the same as that indicated above.

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Value of Estate						
From	**To**	**Ont.**	**Que.**	**N.B.**	**N.S.**	**P.E.I.**
$0	$5,000	—	—	$25	$85.60	$50
5,001	10,000	—	—	$50	✓	✓
10,001	15,000	—	—	$75	$215.20	$100
15,001	20,000	—	—	$100	✓	✓
20,001	25,000	—	—	$100 + $5 per $1,000 in excess of $20,000	✓	✓
25,001	50,000	—	—	✓	$358.15	$200
50,001	100,000	$15 per $1,000 in excess of $50,000	—	✓	$1,002.65	$400
100,001	125,000	✓	—	✓	$1,002.65 + $16.95 per $1,000 in excess of $100,000	$400 + $4 per $1,000 in excess of $100,000
125,001	150,000	✓	—	✓	✓	✓
150,001	250,000	✓	—	✓	✓	✓
250,001	and over	✓	—	✓	✓	✓
Probate fee for estate of $1,000,000		**$14,250**	**$0**	**$5,000**	**$16,257.65**	**$4,000**

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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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