TAX RATE CARD // 2026

Corporate tax rates for 2026

Combined federal and provincial rates for a Canadian-controlled private corporation, as of May 2026.

TAX RATE ON INCOME, BY PROVINCE

PROVINCE OR TERRITORY	SMALL BUSINESS LIMIT	SMALL BUSINESS RATE	PARTIAL SMALL BUSINESS RATE[1]	GENERAL RATE	INVESTMENT INCOME[2]
Federal only	$500,000	9.00%	-	15.00%	38.67%
British Columbia	$500,000	11.00%	-	27.00%	50.67%
Alberta	$500,000	11.00%	-	23.00%	46.67%
Saskatchewan	$600,000	10.00%	16.00%	27.00%	50.67%
Manitoba	$500,000	9.00%	-	27.00%	50.67%
Ontario	$500,000	11.70%	17.70%	26.50%	50.17%
Quebec	$500,000	11.20%	20.50%	26.50%	50.17%
New Brunswick	$500,000	11.50%	17.50%	29.00%	52.67%
Prince Edward Island	$600,000	10.00%	16.00%	30.00%	53.67%
Nova Scotia	$700,000	10.50%	16.50%	29.00%	52.67%
Newfoundland and Labrador	$500,000	11.00%	-	30.00%	53.67%
Yukon	$500,000	9.00%	-	27.00%	50.67%
Northwest Territories	$500,000	11.00%	-	26.50%	50.17%
Nunavut	$500,000	12.00%	-	27.00%	50.67%

[1] Applies where only the federal or provincial small business deduction is available. See the provincial notes.

[2] Excludes Canadian dividends. Applies to the taxable portion of capital gains. Part of the tax may be refundable when taxable dividends are paid.

WHAT CHANGES THE SMALL BUSINESS LIMIT

Taxable capital	The federal limit falls by $1 for every $80 above $10 million and reaches zero at $50 million.
Investment income	The federal limit falls by $5 for every $1 of adjusted aggregate investment income above $50,000 and reaches zero at $150,000.
Associated companies	Associated companies share the federal business limit. These reductions consider the associated group, and the larger reduction applies.
Saskatchewan, Prince Edward Island and Nova Scotia	The provincial limit is $600,000 in Saskatchewan and Prince Edward Island, and $700,000 in Nova Scotia. Between $500,000 and that limit, the combined rate is 16% in the first two and 16.5% in Nova Scotia.
Ontario	Ontario's provincial small business rate fell from 3.2% to 2.2% on July 1, 2026. The table uses an approximately 11.70% combined rate for a calendar-year company. Other year ends need a day-based calculation. Ontario does not reduce its provincial limit for investment income, so the partial rate applies when investment income reduces the federal limit but provincial eligibility remains.
Quebec	The 11.20% combined rate applies to qualifying taxation years beginning after April 29, 2026. Paid-hours rules can reduce or eliminate Quebec's deduction. It shrinks below 5,500 paid hours and ends at 5,000 or fewer, where the combined rate up to the limit is 20.5%. Confirm eligibility before applying the small business rate.
New Brunswick	New Brunswick does not reduce its provincial limit for investment income. The partial rate applies when investment income reduces the federal limit.
Newfoundland and Labrador	The provincial small business rate is 2% from January 1, 2026. It falls to 1.5% on January 1, 2027, and to 1% on January 1, 2028.

General planning rates. Your own tax depends on your year end, your other companies and your province. Talk to us before you rely on a figure.

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What leaving profit in your company defers

Leaving income in the company can defer personal tax. This table compares the initial corporate tax with the tax you would pay personally on the same income, assuming you are in the top personal bracket.

A figure in brackets means the company pays more tax than you would have paid personally on that income.

TAX DEFERRED (% OF INCOME)

PROVINCE	UP TO THE LIMIT	PARTIAL RATE	GENERAL RATE INCOME	INTEREST	CAPITAL GAINS	ELIGIBLE DIVIDENDS	FOREIGN DIVIDENDS
British Columbia	42.50	-	26.50	2.83	1.42	(1.79)	2.83
Alberta	37.00	-	25.00	1.33	0.67	(4.02)	1.33
Saskatchewan	37.50	31.50	20.50	(3.17)	(1.59)	(8.69)	(3.17)
Manitoba	41.40	-	23.40	(0.27)	(0.14)	(0.55)	(0.27)
Ontario	41.83	35.83	27.03	3.36	1.68	1.01	3.36
Quebec	42.11	32.81	26.81	3.14	1.57	1.78	3.14
New Brunswick	41.00	35.00	23.50	(0.17)	(0.09)	(5.93)	(0.17)
Nova Scotia	43.50	37.50	25.00	1.33	0.67	3.25	1.33
Prince Edward Island	43.00	37.00	23.00	(0.67)	(0.34)	(0.41)	(0.67)
Newfoundland and Labrador	43.80	-	24.80	1.13	0.57	7.87	1.13

AN EXAMPLE

> In Ontario, your company earns $100,000 of business income under the small business limit. The company pays about $11,700 of tax (11.70%). In the top bracket, you would pay about $53,530 (53.53%) on the same income. That leaves about $41,830 more in the company for now, before personal tax on a future dividend.

HOW TO READ IT

Business income	Taxed at the small business rate up to your limit and at the general rate above it.
Investment income	Interest, capital gains and foreign dividends your company earns. Part of the tax the company pays on it comes back when the company pays a dividend.
Eligible dividends	Eligible Canadian dividends received by the company generally attract refundable Part IV tax at 38.33%.

The territories are not in this table, because their personal rates are not on our personal tax card. A foreign dividend is assumed to carry 15% tax withheld in the country it comes from, which both you and your company claim as a credit. The rates on page one do not cover manufacturing and processing income or capital taxes, and a change in a rate or a limit is prorated by the days in your tax year.