

2025 Wellington-Altus Corporate Tax Reference Card¹

2025 CORPORATE TAX RATES

Active Business Income						Passive Investment Income		
Federal Rate	General 15.00%		Small Business ² 9.00%		Small Business Limit ³	Investment Income ⁴	Capital Gains ⁵	Canadian Dividends ⁶
	Provincial/Territorial	Combined	Provincial/Territorial	Combined				
Alberta	8.00%	23.00%	2.00%	11.00%	\$500,000	46.67%	23.34%	38.33%
British Columbia	12.00%	27.00%	2.00%	11.00%	\$500,000	50.67%	25.34%	38.33%
Manitoba	12.00%	27.00%	0.00%	9.00%	\$500,000	50.67%	25.34%	38.33%
New Brunswick	14.00%	29.00%	2.50%	11.50%	\$500,000	52.67%	26.34%	38.33%
Newfoundland & Labrador	15.00%	30.00%	2.50%	11.50%	\$500,000	53.67%	26.84%	38.33%
Nova Scotia ⁸	14.00%	29.00%	1.75%	10.75%	\$650,685	52.67%	26.34%	38.33%
Northwest Territories	11.50%	26.50%	2.00%	11.00%	\$500,000	50.17%	25.09%	38.33%
Nunavut	12.00%	27.00%	3.00%	12.00%	\$500,000	50.67%	25.34%	38.33%
Ontario	11.50%	26.50%	3.20%	12.20%	\$500,000	50.17%	25.09%	38.33%
Prince Edward Island	16.00%	31.00%	1.00%	10.00%	\$500,000	54.67%	27.34%	38.33%
Quebec	11.50%	26.50%	3.20%	12.20%	\$500,000	50.17%	25.09%	38.33%
Saskatchewan	12.00%	27.00%	1.00%	10.00%	\$600,000 ⁷	50.67%	25.34%	38.33%
Yukon	12.00%	27.00%	0.00%	9.00%	\$500,000	50.67%	25.34%	38.33%

¹ The rates reflected in the table apply to a “Canadian-controlled private corporation” (“CCPC”).

² The small business rates apply to a CCPC which earns active business income that is eligible for the small business deduction (“SBD”). Different rates apply for business income eligible for the zero-emission technology manufacturing deduction and are not reflected in this table.

³ The small business rates can only be applied to income up to the “business limit” for a taxation year. The “business limit” must be shared amongst CCPCs that are “associated” for income tax purposes. The available “business limit” for an associated group can be reduced in certain circumstances. A description of these rules is beyond the scope of this reference card.

⁴ Included in the “Investment Income” rates is a 30.67% refundable tax. This refundable tax is recovered by the corporation when sufficient taxable dividends are paid to shareholders.

⁵ The 2024 Federal Budget initially proposed raising the inclusion rate for capital gains realized by a corporation from 1/2 to 2/3, effective June 25, 2024. However, the government has since delayed the implementation of this increase until January 1, 2026. No legislation for these changes has been enacted as of February 2025.

⁶ “Canadian Dividends” refers to dividends paid from Canadian corporations and from foreign affiliates. This corporate tax on Canadian dividends is fully refundable to the corporation upon paying sufficient taxable dividends to shareholders, as described in footnote 4.

⁷ A Saskatchewan CCPC benefits from provincial small business rates on eligible income up to \$600,000 (compared to \$500,000 in all other jurisdictions). Income in excess of the \$500,000 Federal business limit, but below the \$600,000 Saskatchewan business limit will be taxed at the Federal general rate of 15%, plus the relevant Saskatchewan small business rate.

⁸ In the 2025 provincial budget, the government of Nova Scotia, proposed reducing the small business corporate income tax rate from 2.5% to 1.5% and increasing the small business limit from \$500,000 to \$700,000, both effective April 1, 2025. These proposals were substantively enacted on March 5, 2025.