

2019 | Personal Income Tax Rates

FEDERAL PERSONAL INCOME TAX RATES

For the 2019 taxation year, federal tax (before credits) for individuals is calculated according to the following rates and brackets:

Taxable income	Tax
Up to \$47,630	15%
Over \$47,630 and up to \$95,259	\$7,145 + 20.5% on taxable income in excess of \$47,630
Over \$95,259 and up to \$147,667	\$16,909 + 26% on taxable income in excess of \$95,259
Over \$147,667 and up to \$210,371	\$30,535 + 29% on taxable income in excess of \$147,667
Over \$210,371	\$48,719 + 33% on taxable income in excess of \$210,371

Dividend tax credit rates calculated on the grossed-up dividends
 – on eligible taxable dividends: 15.02%
 – on non-eligible taxable dividends: 9.03%

PROVINCIAL/TERRITORIAL PERSONAL INCOME TAX RATES

Province/ Territory	Personal Tax	Maximum Combined Marginal Tax Rate	
NL	<i>Taxable Income</i>	51.30%	
	0–\$37,591.....		8.70%
	\$37,591.01–\$75,181.....		14.50%
	\$75,181.01–\$134,224.....		15.80%
	\$134,224.01–\$187,913.....		17.30%
Over \$187,913.....	18.30%		
PE	<i>Taxable Income</i>	51.37%	
	0–\$31,984.....		9.80%
	\$31,984.01–\$63,969.....		13.80%
	Over \$63,969.....		16.70%
	Surtax: 10% provincial tax in excess of \$12,500		
NS	<i>Taxable Income</i>	54.00%	
	0–\$29,590.....		8.79%
	\$29,590.01–\$59,180.....		14.95%
	\$59,180.01–\$93,000.....		16.67%
	\$93,000.01–\$150,000.....		17.50%
	Over \$150,000.....		21.00%
NB	<i>Taxable Income</i>	53.30%	
	0–\$42,592.....		9.68%
	\$42,592.01–\$85,184.....		14.82%
	\$85,184.01–\$138,491.....		16.52%
	\$138,491.01–\$157,778.....		17.84%
	Over \$157,778.....		20.30%
QC	<i>Taxable Income</i>	53.31%	
	0–\$43,790.....		15.00%
	\$43,790.01–\$87,575.....		20.00%
	\$87,575.01–\$106,555.....		24.00%
	Over \$106,555.....		25.75%
ON	<i>Taxable Income</i>	53.53%	
	0–\$43,906.....		5.05%
	\$43,906.01–\$87,813.....		9.15%
	\$87,813.01–\$150,000.....		11.16%
	\$150,000.01–\$220,000.....		12.16%
	Over \$220,000.....		13.16%
	Surtax: 20% of provincial tax in excess of \$4,740; 36% of provincial tax in excess of \$6,067		
MB	<i>Taxable Income</i>	50.40%	
	0–\$32,670.....		10.80%
	\$32,670.01–\$70,610.....		12.75%
	Over \$70,610.....		17.40%

Province/ Territory	Personal Tax	Maximum Combined Marginal Tax Rate	
SK	<i>Taxable Income</i>	47.50%	
	0–\$45,225.....		10.50%
	\$45,225.01–\$129,214.....		12.50%
	Over \$129,214.....		14.50%
AB	<i>Taxable Income</i>	48.00%	
	0–\$131,220.....		10.00%
	\$131,220.01–\$157,464.....		12.00%
	\$157,464.01–\$209,952.....		13.00%
	\$209,952.01–\$314,928.....		14.00%
Over \$314,928.....	15.00%		
BC	<i>Taxable Income</i>	49.80%	
	0–\$40,707.....		5.06%
	\$40,707.01–\$81,416.....		7.70%
	\$81,416.01–\$93,476.....		10.50%
	\$93,476.01–\$113,506.....		12.29%
	\$113,506.01–\$153,900.....		14.70%
Over \$153,900.....	16.80%		
YT	<i>Taxable Income</i>	48.00%	
	0–\$47,630.....		6.40%
	\$47,630.01–\$95,259.....		9.00%
	\$95,259.01–\$147,667.....		10.90%
	\$147,667.01–\$500,000.....		12.80%
Over \$500,000.....	15.00%		
NT	<i>Taxable Income</i>	47.05%	
	0–\$43,137.....		5.90%
	\$43,137.01–\$86,277.....		8.60%
	\$86,277.01–\$140,267.....		12.20%
Over \$140,267.....	14.05%		
NU	<i>Taxable Income</i>	44.50%	
	0–\$45,414.....		4.00%
	\$45,414.01–\$90,829.....		7.00%
	\$90,829.01–\$147,667.....		9.00%
Over \$147,667.....	11.50%		
Non-residents of Canada	<i>Taxable Income</i>	48.84%	
	0–\$47,630.....		7.20% ¹
	\$47,630.01–\$95,259.....		9.84% ¹
	\$95,259.01–\$147,667.....		12.48% ¹
	\$147,667.01–\$210,371.....		13.92% ¹
Over \$210,371.....	15.84% ¹		

¹48% of basic federal tax rates.

2019 | Corporate Income Tax Rates

FEDERAL CORPORATE INCOME TAX RATES

	Year ending 12-31-2019
	%
Income Qualifying for the Small Business Deduction (SBD) ^{1, 2}	9.00
Investment Income of Canadian-Controlled Private Corporations (CCPCs) ³	38.67
Other Income ⁴	15.00

- Active business income earned in Canada by a CCPC up to \$500,000. This limit is reduced on a straight-line basis as the CCPC's taxable capital employed in Canada on an associated basis for the prior year increases from \$10 million to \$15 million. The rate for a taxation year straddling a calendar year will be prorated. For taxation years beginning after 2018, the small business deduction limit of a CCPC for a year that (together with associated CCPCs) earns more than \$50,000 of passive investment income in the previous year, is reduced by \$5 for every \$1 of that investment income over \$50,000 (it is eliminated at \$150,000 of investment income). The CCPC's small business deduction will be reduced by the greater of this new reduction and the existing clawback that applies when associated taxable capital employed in Canada exceeds \$10 million.
- Personal services business (PSB) income is not active business income and does not qualify for the small business rate. Instead, PSB income is subject to a 33% tax rate (i.e., 28% regular rate plus 5% surtax rate). A corporation has a personal services business if it provides to a client the services of its incorporated employee who is also its specified shareholder and would otherwise be an employee of the client. The employee is a specified shareholder of the corporation if he/she owns at least 10% of any class of its shares. The corporation will not be deemed to carry on a personal services business during the year if it employs more than five full-time employees during that year or if it receives the income from an associated corporation.
- This rate takes into account the additional tax of 10.67% on investment income (other than deductible dividends) earned by CCPCs. The Part I Tax refundable portion calculated at 30.67% of investment income is added to the corporation's non-eligible refundable dividend tax on hand (NERDTH) account (for taxation years beginning before 2019, it is added to the RDTOH account). This tax is recovered at an amount equal to the lesser of (a) 38½% of the total of all eligible dividends paid by it in the year, and (b) its eligible refundable dividend tax on hand at the end of the year. Prior to the 2019 taxation year, the refund was 38½%.
- This rate is calculated by subtracting a general rate reduction or a manufacturing and processing (M&P) deduction from the general federal rate. This deduction or reduction does not apply to small business income or investment income of CCPCs and income of mortgage investment corporations, investment corporations, or mutual fund corporations. This category of income includes: (1) CCPC active business income in excess of the amount eligible for the SBD; (2) CCPC non-active business income; (3) M&P income; and (4) Non-M&P income earned by public corporations.

PROVINCIAL/TERRITORIAL CORPORATE TAX RATES¹

INCOME QUALIFYING FOR THE SBD ONLY ^{2,3}		INCOME QUALIFYING FOR M&P ONLY		OTHER INCOME	
	Year ending 12-31-2019		Year ending 12-31-2019		Year ending 12-31-2019
	%		%		%
Newfoundland and Labrador	3	Newfoundland and Labrador	15	Newfoundland and Labrador	15
Prince Edward Island ⁷	3.5	Prince Edward Island	16	Prince Edward Island	16
Nova Scotia	3	Nova Scotia	16	Nova Scotia	16
New Brunswick ⁴	2.5	New Brunswick	14	New Brunswick	14
Quebec ⁵	4/6	Quebec ¹	11.6	Quebec ¹	11.6
Ontario ⁸	3.5	Ontario	10	Ontario	11.5
Manitoba	0	Manitoba	12	Manitoba	12
Saskatchewan	2	Saskatchewan	10	Saskatchewan	12
Alberta	2	Alberta ²	11.5	Alberta ²	11.5
British Columbia	2	British Columbia	12	British Columbia	12
Northwest Territories	4	Northwest Territories	11.5	Northwest Territories	11.5
Yukon ⁶	1.5/2	Yukon	2.5	Yukon	12
Nunavut ⁹	3.5	Nunavut	12	Nunavut	12

1. These tables assume a full taxation year.

2. This includes active business income earned in Canada by a Canadian-controlled private corporation up to a small business income threshold (SBIT) of \$600,000 for Saskatchewan (effective January 1, 2018), \$500,000 for all other provinces and territories for 2017 to 2020. Manitoba's threshold increased to \$500,000 on January 1, 2019.

3. For all provinces and territories, the small business deduction is gradually eliminated as the previous year's taxable capital (paid-up capital for Quebec) employed in Canada on an associated basis increases from \$10 million to \$15 million. With the exception of New Brunswick and Ontario, starting in 2019, the small business deduction is phased out for CCPCs that earn passive income exceeding \$50,000 on an associated basis in the previous year (see footnote 1 in the previous table).

4. The rate was reduced from 4% to 3.5% on April 1, 2016 to 3% on April 1, 2017, and to 2.5% on April 1, 2018.

5. The first rate applies to M&P income (as well as primary sector income) eligible for the small business deduction, while the second rate is for other income eligible for the small business deduction.

The small business rate decreased to 7% on March 29, 2018, to 6% on January 1, 2019, to 5% on January 1, 2020, and to 4% on January 1, 2021.

6. The first rate applies to M&P income eligible for the small business deduction, while the second rate is for other income eligible for the small business deduction. The CCPC rate for non-M&P income was reduced from 3% to 2% on July 1, 2017.

7. The rate was reduced from 4.5% to 4% on January 1, 2018, from 4% to 3.5% on January 1, 2019, and was proposed in the 2019 Prince Edward Budget to reduce to 3.0% on January 1, 2020.

8. The rate is proposed to be reduced to 3.2% as of January 1, 2020.

9. The rate was reduced from 4% to 3% on July 1, 2019. Because Nunavut has a non-partisan government, it is uncertain whether draft legislation to decrease the rate to 3% will be enacted.

1. The rate decreased to 11.7% on January 1, 2018, to 11.6% on January 1, 2019, and will decrease to 11.5% on January 1, 2020.

2. The rate decreased to 11% on July 1, 2019, and will decrease to 10% on January 1, 2020, to 9% on January 1, 2021, and to 8% on January 1, 2022.

1. The rate decreased to 11.7% on January 1, 2018, to 11.6% on January 1, 2019, and will decrease to 11.5% on January 1, 2020.

2. The rate decreased to 11% on July 1, 2019, and will decrease to 10% on January 1, 2020, to 9% on January 1, 2021, and to 8% on January 1, 2022.

Visit ADP's new Partner Connect portal to:

- Quickly and easily submit and track client referrals
- Earn CPD credits with on-demand webinars
- Access valuable tools and resources

partnerconnect.adp.com

ADP® is pleased to provide you with a complimentary copy of this Wolters Kluwer publication.

ADP, the ADP logo, and Always Designing for People are registered trademarks of ADP, LLC. All other marks are the property of their respective owners.

© Wolters Kluwer Canada Limited



Wolters Kluwer