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Tax facts and figures

Canada 2015

Canadian individual and corporate tax changes, tax rates, tax deadlines and a wide range of other valuable tax information.

Key 2015 income tax rates – individuals and corporations

Applies to taxable income above $138,586 in all jurisdictions except:

- $300,000 in Alberta
- $151,050 in British Columbia
- $250,000 in New Brunswick
- $175,000 in Newfoundland and Labrador
- $150,000 in Nova Scotia
- $220,000 in Ontario
- $500,000 in Yukon

Individuals (page 4)

	Top combined marginal rates			
	Ordinary income and interest	Capital gains	Canadian dividends	
			Eligible	Non-eligible
Federal	29.00%	14.50%	19.29%	21.22%
Alberta	40.25%	20.13%	21.02%	30.84%
British Columbia	45.80%	22.90%	28.68%	37.99%
Manitoba	46.40%	23.20%	32.26%	40.77%
New Brunswick	54.75%	27.38%	38.27%	46.89%
Newfoundland and Labrador	43.30%	21.65%	31.57%	33.26%
Northwest Territories	43.05%	21.53%	22.81%	30.72%
Nova Scotia	50.00%	25.00%	36.06%	41.87%
Nunavut	40.50%	20.25%	27.56%	31.19%
Ontario	49.53%	24.76%	33.82%	40.13%
Prince Edward Island	47.37%	23.69%	28.70%	38.74%
Quebec	49.97%	24.98%	35.22%	39.78%
Saskatchewan	44.00%	22.00%	24.81%	34.91%
Yukon	44.00%	22.00%	19.29%	35.18%

Corporations (page 17)

For December 31 year end (12-month taxation year).

		Combined rates		
		General and M&P	Canadian-Controlled Private Corporations (CCPCs)	
			Active business income to $500,000	Investment income
Federal		15%	11%	34.67%
Alberta		26.01%	14%	45.67%
British Columbia		26%	13.5%	45.67%
Manitoba		27%	11% or 23%	46.67%
New Brunswick		27%	15%	46.67%
Newfoundland and Labrador	**General**	29%	14%	48.67%
	M&P	20%		n/a
Northwest Territories		26.5%	15%	46.17%
Nova Scotia		31%	14% or 27%	50.67%
Nunavut		27%	15%	46.67%
Ontario	**General**	26.5%	15.5%	46.17%
	M&P	25%		n/a
Prince Edward Island		31%	15.5%	50.67%
Quebec	**General**	26.9%	19%	46.57%
	M&P		15.49%	n/a
Saskatchewan	**General**	27%	13%	46.67%
	M&P	25%		n/a
Yukon	**General**	30%	14%	49.67%
	M&P	17.5%	12.5%	n/a

Tax facts and figures is on our website:
www.pwc.com/ca/taxfacts

Cette brochure est également disponible en français:
www.pwc.com/ca/rensfiscaux

Tax facts and figures
Canada 2015

A message from our tax leader

Timely and relevant tax information is especially important in our ever-changing world. PwC's 38th edition of *Tax facts and figures* will help you stay up-to-date. Pages 2 and 3 provide an overview of recent key tax changes and indicate where in the booklet to find details. Other sections set out Canadian individual and corporate tax rates and deadlines, plus a wide range of additional valuable tax information.

To keep you informed throughout the year, we provide a wealth of tax publications on our website: **www.pwc.com/ca/taxpublications**. Subscribe or update your contact information at **www.pwc.com/ca/stayintouch**.

As well, we invite you to download PwC's Tax rate app* to bring the latest corporate, personal and sales tax rates to your fingertips. Also check out our income tax calculator at **www.pwc.com/ca/calculator** – it will help you estimate your personal tax bill and marginal tax rates.

PwC's worldwide summaries (**www.pwc.com/taxsummaries**) give you quick access to information about corporate and personal tax systems in over 150 countries.

Of course, tax information is most effective when used in tandem with professional advice. Your PwC tax advisers would be happy to guide you through the tax rules and changes that affect you. Please contact us.

Chris

Christopher P. Kong
National Managing Partner, Tax
PwC Canada

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Let's talk

For a deeper discussion of how the tax issues in *Tax facts and figures* might affect you or your business, please contact:

- your PwC tax adviser
- any of the individuals listed at **www.pwc.com/ca/taxcontacts**

Office addresses and telephone numbers are available at **www.pwc.com/ca/offices**.

Contents

Click on a heading to go to that page

Rates and other information are current to June 26, 2015, but may change as a result of legislation or regulations issued after that date.

Highlights for individuals and corporations: 2015 and beyond

Federal

Personal income tax rates: increasing for non-eligible dividends from 2016 to 2019 (p. 8)

Corporate income tax rates: general and M&P rate unchanged; CCPC rate decreasing over four years from 11% to 9%, starting 2016 (p. 21)

Tax-free savings account (TFSA): contribution limit increasing from $5,500 to $10,000, starting 2015 (p. 8)

Trusts and estates: generally, graduated tax rates eliminated and testamentary trusts must have calendar taxation years, starting 2016 taxation years (p. 9)

Withholding tax for non-resident employees: certain non-resident employers with non-resident employees in Canada exempt from payroll withholding requirements, effective January 1, 2016 (p. 21)

Avoidance of corporate capital gains: anti-avoidance rule in section 55 of the *Income Tax Act* to be amended, for dividends received after April 20, 2015 (p. 21)

Synthetic equity arrangements: dividend rental arrangement rules modified for synthetic equity arrangements, for dividends paid or that become payable after October 2015 (p. 21)

Captive insurance: anti-avoidance rule that prevents shifting income from the insurance of Canadian risks offshore is further amended, for taxation years beginning after April 20, 2015 (p. 21)

Alberta

Personal income tax rates: increasing on taxable income over $125,000 in 2015 and 2016[1] (p. 10)

Corporate income tax rates: general and M&P rate increasing from 10% to 12% on July 1, 2015; CCPC rate unchanged[2] (p. 22)

Alberta's new government had not released its budget at the date of publication. Important post-publication changes will be on **www.pwc.com/ca/taxinsights**.

British Columbia

Personal income tax rates: declining on taxable income over $151,050 from 16.8% to 14.7% after 2015[1] (p. 10)

Corporate income tax rates: unchanged[2] (p. 23)

Manitoba

Personal and corporate income tax rates: unchanged[1,2] (pp. 11, 23)

CCPC threshold: increasing from $425,000 to $450,000 on January 1, 2016 (p. 23)

Financial institutions capital tax rate: increased from 5% to 6%, for taxation years ending after April 30, 2015 (p. 23)

New Brunswick

Personal income tax rates: increased on taxable income over $150,000 and on non-eligible dividends, starting 2015[1] (p. 11)

Corporate income tax rates: general and M&P rate unchanged; CCPC rate decreasing from 4.5% to 4% on January 1, 2015, and to 2.5% by 2018[2] (p. 24)

1. 2016 to 2019 personal tax rates on non-eligible dividends in the province or territory will increase due to federal changes.
2. 2016 to 2019 combined federal/provincial/territorial CCPC rate will decrease due to federal changes.

Highlights for individuals and corporations: 2015 and beyond

Newfoundland and Labrador

Personal income tax rates: increasing on taxable income over $125,000 in 2015 and 2016[1] (p. 12)

Corporate income tax rates: unchanged[2] (p. 25)

Financial institutions capital tax rate: increased from 4% to 5% on April 1, 2015 (p. 25)

Harmonized Sales Tax rate: increasing from 13% to 15% on January 1, 2016 (pp. 12, 25)

Northwest Territories

Personal and corporate income tax rates: unchanged[1,2] (pp. 12, 25)

Nova Scotia

Personal income tax rates: increased for non-eligible dividends, starting 2015[1] (p. 13)

Corporate income tax rates: unchanged[2] (p. 26)

Nunavut

Personal and corporate income tax rates: unchanged[1,2] (pp. 13, 26)

Ontario

Personal and corporate income tax rates: unchanged[1,2] (pp. 14, 27)

Prince Edward Island

Personal and corporate income tax rates: unchanged[1,2] (pp. 14, 28)

Quebec

Personal income tax rates: unchanged[1] (p. 15)

Corporate income tax rates: general and M&P rate decreasing from 11.9% to 11.5% over four years, starting 2017; CCPC regular rate unchanged until 2016 when it could be higher; lowest CCPC M&P rate decreasing from 6% to 4% on April 1, 2015; criteria to qualify for CCPC rates changing after 2016, which may increase rates[2] (p. 28)

Business tax credit rates: rates revised and changes made to many (p. 29)

Saskatchewan

Personal and corporate income tax rates: unchanged[1,2] (pp. 16, 30)

Research and development tax credit: non-refundable for all corporations and rate reduced from 15% to 10%, starting April 1, 2015 (p. 30)

Yukon

Personal income tax rates: reduced on taxable income of $500,000 or less, increased on taxable income over $500,000 and surtax eliminated, starting 2015[1] (p. 16)

Corporate income tax rates: unchanged[2] (p. 30)

1. 2016 to 2019 personal tax rates on non-eligible dividends in the province or territory will increase due to federal changes.
2. 2016 to 2019 combined federal/provincial/territorial CCPC rate will decrease due to federal changes.

Individuals

Individual marginal rates

This table shows 2015 combined federal and provincial (or territorial) marginal tax rates – the percentage of tax paid on the last dollar of income, or on additional income.

Provincial brackets below $11,327 are not shown.

	Taxable income $11,327 to $44,701				
	Brackets $	Ordinary income & interest %	Capital gains %	Canadian dividends[1] Eligible %	Canadian dividends[1] Non-eligible %
Federal	11,327	15.00	7.50	(0.03) to 0	4.70
Alberta	18,214 11,327	25.00 15.00	12.50 7.50	(0.03) to 0 (0.03) to 0	12.84 4.70
British Columbia	37,869 11,327	22.70 20.06	11.35 10.03	(3.20) to 0 (6.84) to 0	10.73 7.61
Manitoba	31,000 11,327	27.75 25.80	13.88 12.90	6.53 to 6.56 3.84 to 3.86	18.77 16.46
New Brunswick	39,973 11,327	29.82 24.68	14.91 12.34	3.86 to 3.89 (3.23) to 0	17.47 11.40
Newfoundland and Labrador	35,008 11,327	27.50 22.70	13.75 11.35	9.77 to 9.80 3.15 to 3.17	14.61 8.95
Northwest Territories	40,484 13,900 11,327	23.60 20.90 15.00	11.80 10.45 7.50	(4.03) to 0 (7.76) to 0 (0.03) to 0	7.77 4.58 to 4.70 4.70
Nova Scotia	29,590 11,327	29.95 23.79	14.98 11.90	8.39 to 8.42 (0.11) to 0	18.21 10.94
Nunavut	42,622 12,781 11,327	22.00 19.00 15.00	11.00 9.50 7.50	2.03 to 2.06 (2.11) to 0 (0.03) to 0	9.36 5.82 4.70
Ontario	40,922 11,327	24.15 20.05	12.08 10.03	(1.20) to 0 (6.86) to 0	10.19 5.35
Prince Edward Island	31,984 11,327	28.80 24.80	14.40 12.40	4.53 to 4.55 (0.99) to 0	17.21 12.49
Quebec	41,935 14,281 11,327	32.53 28.53 12.53	16.26 14.26 6.26	11.16 to 11.18 5.64 to 5.66 (0.02) to 0	19.21 14.49 3.92
Saskatchewan	44,028 15,639 11,327	28.00 26.00 15.00	14.00 13.00 7.50	2.73 to 2.76 (0.03) to 0 (0.03) to 0	16.03 13.67 4.70
Yukon	11,327	21.40	10.70	(11.90) to 0	8.51
Non-resident[2]	11,327	22.20	11.10	(0.04) to 0	6.96

	Taxable income $44,701 to $89,401				
	Brackets $	Ordinary income & interest %	Capital gains %	Canadian dividends[1] Eligible %	Canadian dividends[1] Non-eligible %
Federal	44,701	22.00	11.00	9.63	12.96
Alberta	44,701	32.00	16.00	9.63	21.10
British Columbia	86,958 75,740 44,701	34.29 32.50 29.70	17.15 16.25 14.85	12.79 10.32 6.46 to 9.63	24.41 22.29 18.99
Manitoba	67,000 44,701	39.40 34.75	19.70 17.38	22.60 16.19	32.51 27.03
New Brunswick	79,946 44,701	38.52 36.82	19.26 18.41	15.87 13.52	27.73 25.73
Newfoundland and Labrador	70,015 44,701	35.30 34.50	17.65 17.25	20.53 19.43	23.82 22.87
Northwest Territories	80,971 44,701	34.20 30.60	17.10 15.30	10.60 5.63 to 9.63	20.28 16.03
Nova Scotia	59,180 44,701	38.67 36.95	19.34 18.48	20.42 18.05	28.50 26.47
Nunavut	85,243 44,701	31.00 29.00	15.50 14.50	14.45 11.69	19.98 17.62
Ontario	84,902 81,847 72,064 44,701	39.41 35.39 32.98 31.15	19.70 17.70 16.49 15.58	19.86 14.31 10.99 8.46 to 9.63	28.19 23.45 20.61 18.45
Prince Edward Island	63,969 44,701	38.70 35.80	19.35 17.90	18.19 14.19	28.89 25.47
Quebec	83,865 44,701	42.37 38.37	21.19 19.19	24.74 19.22	30.82 26.10
Saskatchewan	44,701	35.00	17.50	12.39	24.29
Yukon	44,701	31.00	15.50	1.35 to 9.63	19.84
Non-resident[2]	44,701	32.56	16.28	14.26	19.18

	Taxable income $89,401 to $138,586				
	Brackets $	Ordinary income & interest %	Capital gains %	Canadian dividends[1] Eligible %	Canadian dividends[1] Non-eligible %
Federal	89,401	26.00	13.00	15.15	17.68
Alberta	125,000 89,401	36.50 36.00	18.25 18.00	15.84 15.15	26.41 25.82
British Columbia	105,592 89,401	40.70 38.29	20.35 19.15	21.64 18.31	31.97 29.13
Manitoba	89,401	43.40	21.70	28.12	37.23
New Brunswick	129,975 89,401	43.84 42.52	21.92 21.26	23.21 21.39	34.01 32.45
Newfoundland and Labrador	125,000 89,401	39.80 39.30	19.90 19.65	26.74 26.05	29.13 28.54
Northwest Territories	131,641 89,401	40.05 38.20	20.03 19.10	18.67 16.12	27.18 25.00
Nova Scotia	93,000 89,401	43.50 42.67	21.75 21.34	27.09 25.94	34.20 33.22
Nunavut	89,401	35.00	17.50	19.97	24.70
Ontario	89,401	43.41	21.70	25.38	32.91
Prince Edward Island	98,143 89,401	44.37 42.70	22.19 21.35	24.56 23.71	35.20 33.61
Quebec	102,040 89,401	47.46 45.71	23.73 22.86	31.77 29.35	36.83 34.76
Saskatchewan	125,795 89,401	41.00 39.00	20.50 19.50	20.67 17.91	31.37 29.01
Yukon	89,401	36.90	18.45	9.49 to 15.15	26.80
Non-resident[2]	89,401	38.48	19.24	22.43	26.17

	Taxable income > $138,586				
	Brackets $	Ordinary income & interest %	Capital gains %	Canadian dividends[1] Eligible %	Canadian dividends[1] Non-eligible %
Federal	138,586	29.00	14.50	19.29	21.22
Alberta	300,000 200,000 150,000 138,586	40.25 40.00 39.75 39.50	20.13 20.00 19.88 19.75	21.02 20.67 20.33 19.98	30.84 30.54 30.25 29.95
British Columbia	151,050 138,586	45.80 43.70	22.90 21.85	28.68 25.78	37.99 35.51
Manitoba	138,586	46.40	23.20	32.26	40.77
New Brunswick	250,000 150,000 138,586	54.75 50.00 46.84	27.38 25.00 23.42	38.27 31.71 27.35	46.89 41.28 37.55
Newfoundland and Labrador	175,000 138,586	43.30 42.80	21.65 21.40	31.57 30.88	33.26 32.67
Northwest Territories	138,586	43.05	21.53	22.81	30.72
Nova Scotia	150,000 138,586	50.00 46.50	25.00 23.25	36.06 31.23	41.87 37.74
Nunavut	138,586	40.50	20.25	27.56	31.19
Ontario	220,000 150,000 138,586	49.53 47.97 46.41	24.76 23.98 23.20	33.82 31.67 29.52	40.13 38.29 36.45
Prince Edward Island	138,586	47.37	23.69	28.70	38.74
Quebec	138,586	49.97	24.98	35.22	39.78
Saskatchewan	138,586	44.00	22.00	24.81	34.91
Yukon	500,000 138,586	44.00 41.80	22.00 20.90	19.29 16.26 to 19.29	35.18 32.58
Non-resident[2]	138,586	42.92	21.46	28.55	31.41

1. Eligible dividends are designated as such by the payor. Most dividends paid by public corporations are eligible dividends. When two dividend rates are indicated, the rate that applies depends on the level of the taxpayer's other income, with the higher rate applying if the taxpayer has no other income.

2. A non-resident will pay tax on taxable income below $11,327 if the non-resident does not qualify for the federal personal basic tax credit (see page 5). Non-resident rates for interest and dividends apply only in limited cases; generally, interest (other than most interest paid to arm's-length non-residents) and dividends are subject to Part XIII non-resident withholding tax.

How much tax? Individual tax table

This table shows 2015 combined federal and provincial (or territorial) income taxes payable, assuming all income is interest or ordinary income (such as salary) and only the basic personal tax credit is claimed (except for non-residents).

Certain types of income and deductions may trigger alternative minimum tax (AMT), affecting the results.

This table assumes the non-resident will not qualify for the basic personal tax credit. A non-resident can claim this credit only if all or substantially all (i.e. 90% or more) of his or her worldwide income is included in taxable income earned in Canada for the year.

Instead of provincial or territorial tax, non-residents pay an additional 48% of basic federal tax on income taxable in Canada that is not earned in a province or territory. Non-residents are subject to provincial or territorial rates on employment income earned, and business income connected with a permanent establishment, in the respective province or territory. Different rates may apply to non-residents in other circumstances.

For the taxation of interest and dividends paid to non-residents, see footnote 2 on page 4.

For Quebec, the federal income tax amounts shown should be reduced by the 16.5% “Quebec abatement.” See page 15.

Taxable income	Federal income tax	Combined 2015 federal and provincial/territorial income tax: Alberta	B.C.	Manitoba	N.B.	Nfld. & Lab.	N.W.T.	N.S.	Nunavut	Ontario	P.E.I.	Quebec	Sask.	Yukon	Non-resident	Taxable income
$1,000,000	$277,438	$385,867	$434,542	$446,732	$512,261	$416,023	$410,675	$477,830	$385,479	$468,082	$455,609	$480,058	$422,322	$410,219	$413,123	**$1,000,000**
500,000	132,438	184,617	205,542	214,732	238,511	199,523	195,425	227,830	182,979	220,434	218,759	230,233	202,322	190,219	198,523	**500,000**
400,000	103,438	144,367	159,742	168,332	183,761	156,223	152,375	177,830	142,479	170,905	171,389	180,268	158,322	148,419	155,603	**400,000**
300,000	74,438	104,117	113,942	121,932	129,011	112,923	109,325	127,830	101,979	121,375	124,019	130,303	114,322	106,619	112,683	**300,000**
250,000	59,938	84,117	91,042	98,732	101,636	91,273	87,800	102,830	81,729	96,610	100,334	105,321	92,322	85,719	91,223	**250,000**
200,000	45,438	64,117	68,142	75,532	76,636	69,623	66,275	77,830	61,479	72,158	76,649	80,338	70,322	64,819	69,763	**200,000**
150,000	30,938	44,242	45,264	52,332	51,636	48,098	44,750	52,830	41,229	48,173	52,964	55,356	48,322	43,919	48,303	**150,000**
100,000	17,596	25,774	24,706	30,289	29,770	27,980	24,968	30,738	23,101	26,126	30,437	31,376	27,995	24,910	28,556	**100,000**
90,000	14,996	22,174	20,877	25,949	25,518	24,050	21,148	26,413	19,601	21,785	26,136	26,805	24,095	21,220	24,708	**90,000**
80,000	12,772	18,950	17,549	21,985	21,642	20,496	17,739	22,522	16,582	18,061	22,242	22,702	20,571	18,085	21,417	**80,000**
70,000	10,572	15,750	14,459	18,045	17,959	16,966	14,679	18,655	13,682	14,801	18,372	18,865	17,071	14,985	18,161	**70,000**
60,000	8,372	12,550	11,489	14,431	14,277	13,516	11,619	14,788	10,782	11,686	14,617	15,028	13,571	11,885	14,905	**60,000**
50,000	6,172	9,350	8,519	10,956	10,595	10,066	8,559	11,079	7,882	8,571	11,037	11,191	10,071	8,785	11,649	**50,000**
40,000	4,301	6,480	5,878	7,810	7,242	6,946	5,841	7,713	5,390	5,823	7,786	7,706	6,981	6,136	8,880	**40,000**
30,000	2,801	3,980	3,816	5,054	4,772	4,436	3,751	4,718	3,490	3,818	4,986	4,854	4,381	3,996	6,660	**30,000**
20,000	1,301	1,480	1,810	2,474	2,304	2,166	1,661	2,313	1,590	1,813	2,506	2,001	1,781	1,856	4,440	**20,000**

Individuals

Income tax filing and payment deadlines – individuals and trusts

Deadlines falling on holidays or weekends may be extended to the next business day.
See page 37 for other filing deadlines.

However, the Canada Revenue Agency's administrative policy is to not charge instalment interest to an inter vivos trust when no instalment reminder notice was sent.

		Instalments for 2015		Filing deadline and balance due	Tax forms
		Required	Deadline		
Individuals		If tax payable in 2015 and either 2014 or 2013 exceeds tax withheld by more than $3,000 ($1,800 for Quebec residents)	15th of March, June, September, December	April 30 (extensions may be available)	T1 (and TP-1-V for Quebec filers)
Trusts	Inter vivos	If tax payable in 2015 and either 2014 or 2013 exceeds tax withheld by more than $3,000 ($1,800 for Quebec residents)	15th of March, June, September, December	90 days after trust year end	T3 (and TP-646-V for Quebec filers)
	Testamentary	None		90 days after trust year end	T3 (and TP-646-V for Quebec filers)

Commencing 2016 taxation years, testamentary trusts (other than certain qualifying estates for their first 36 months) will be required to remit instalments.

For the 2015 taxation year of an inter vivos trust, the filing deadline is March 30, 2016.

Mutual fund trusts can elect to have a taxation year that ends on December 15.

See page 4 for tax rates, and page 9 for changes that apply starting 2016 taxation years.

		Trust created	Year end	Tax rate
Trusts	Inter vivos	During lifetime	December 31	Top personal tax rate
	Testamentary	On death	Any (year must be ≤ 12 months)	Personal marginal tax rates

Exceptions apply, for example, in Ontario and Prince Edward Island, which impose surtaxes.

Applies to unit trusts, including mutual fund trusts.

Year end may be changed with the Minister's approval.

This trust must maintain its status as a testamentary trust for tax purposes.

Non-residents are not subject to instalment or filing requirements on these (and certain other) receipts. Instead, 25% Part XIII withholding tax applies (may be reduced by treaty).

If a taxpayer (or his/her spouse) carried on a business and died:
- January 1 to December 15, filing deadline[1] is June 15 of the following year
- December 16 to December 31, filing deadline[1] is 6 months after date of death

	Special cases	
	Filing	Balance due
Taxpayer (or spouse) carried on a business	June 15[1]	April 30 (no extension)
Non-resident	If a non-resident receives: • rental income on Canadian real property and elects to file under section 216, filing deadline is two years after end of year the income was paid or credited (June 30 if NR6 was filed) • certain Canadian pension, retirement and social assistance benefits and elects to file under section 217, filing deadline is June 30	April 30 (no extension)
Taxpayer died	Return for year of death—If a taxpayer died: • January to October, filing deadline[1] is April 30 • November to December, filing deadline[1] is 6 months after date of death	For deceased, if died: • January to October, April 30 • November to December, 6 months after date of death For spouse, April 30.
	Return for year before death—If a taxpayer died: • after year-end, but • before filing deadline for previous year's return, filing deadline[1] is 6 months after date of death	For deceased, 6 months after date of death. For spouse, April 30.

1. Applies to taxpayer and his or her spouse.

Individuals

Probate fees (for estates over $50,000)

Probate is an administrative procedure under which a court validates a deceased's will and confirms the appointment of the executor.

This table shows probate fees or administrative charges for probating a will. Other fees may also apply.

For some provinces and territories, different rates may apply to smaller estates (less than $50,000).

	Fee schedule (value over $50,000)	Example fees $500,000 value	$2,000,000 value	$5,000,000 value
Alberta	$275 to $525	$525		
British Columbia	$350 + 1.4% of portion > $50,000	$6,650	$27,650	$69,650
Manitoba	$70 + 0.7% of portion > $10,000	$3,500	$14,000	$35,000
New Brunswick	0.5% of estate	$2,500	$10,000	$25,000
Newfoundland and Labrador	$90 + 0.5% of portion > $1,000	$2,585	$10,085	$25,085
Northwest Territories	$200 to $400	$400		
Nova Scotia	$1,003 + 1.695% of portion > $100,000	$7,783	$33,208	$84,058
Nunavut	$200 to $400	$400		
Ontario	$250 + 1.5% of portion > $50,000	$7,000	$29,500	$74,500
Prince Edward Island	$400 + 0.4% of portion > $100,000	$2,000	$8,000	$20,000
Quebec	Nominal fee			
Saskatchewan	0.7% of estate	$3,500	$14,000	$35,000
Yukon	$140	$140		

Before May 1, 2015, Alberta's fee was $200 to $400.

Before April 1, 2015, Nova Scotia's fee was $973 + 1.645% of portion > $100,000.

Beginning January 1, 2015, a new "Estate Information Return" must be filed in Ontario. See page 14.

Although Quebec does not levy probate fees, wills (other than notarial wills) must be authenticated by the Superior Court of Quebec. A nominal fee applies.

Individuals

Key tax changes

Federal

	Top federal rates			
	Ordinary income	Capital gains	Dividends – Eligible	Dividends – Non-eligible
2014 2015	29%	14.50%	19.29%	21.22%

2015 Federal				
Basic personal amount	$11,327	Indexing factor	1.7%	
Bracket	$0	$44,701	$89,401	$138,586
Rate	15%	22%	26%	29%

Highlights of changes

Dividends:

	Non-eligible dividends				
	2015	2016	2017	2018	2019
Dividend gross-up	18%	17%		16%	15%
Dividend tax credit (on grossed-up dividend)	11.0169%	10.5217%	10.0206%	9.5125%	9.030%
Top federal rate	21.22%	21.62%	22.21%	22.61%	22.97%

Tax-free savings account (TFSA): Starting 2015, the annual TFSA contribution limit increased from $5,500 to $10,000 and will no longer be indexed. See our *Tax memo* "Tax-free savings accounts (TFSAs): Making the most of them" at **www.pwc.com/ca/taxinsights**.

Family tax cut (income-splitting) tax credit: Starting 2014, families with children under 18 years can claim a non-refundable tax credit equal to the federal tax reduction that would result if up to $50,000 of taxable income were transferred from one spouse to the other, to a maximum credit of $2,000. See our *Tax Insights* "Income-splitting and other tax measures for families introduced" at **www.pwc.com/ca/taxinsights**.

Child care expenses: Maximum amounts that can be claimed for child care expenses for each child will increase as follows:

	Annual expenses		Weekly expenses paid to a boarding school or camp	
	2014	2015	2014	2015
Eligible for the disability tax credit	$10,000	$11,000	$250	$275
Under age seven	$7,000	$8,000	$175	$200
Age seven to 16 (and infirm dependent children over 16)	$4,000	$5,000	$100	$125

Child tax credit: This credit is repealed after 2014. Instead, starting 2015, parents will receive Universal Child Care Benefit monthly payments of $160 (up from $100) for each child under six and a new $60 monthly benefit for children age six to 17. (The family caregiver tax credit for an infirm, minor child that was claimed with the child tax credit will remain effective after 2014.)

Children's fitness tax credit: This credit was doubled to a maximum of $1,000 of eligible expenses, starting 2014, and is replaced with a 15% refundable tax credit, starting 2015. An additional $500 credit remains available for children under 19 who qualify for the disability tax credit.

Lifetime capital gains exemption (LCGE) for farm or fishing property: The maximum LCGE for capital gains realized on the disposition of qualified farm or fishing property will:
- increase from $813,600 to $1 million for dispositions made after April 20, 2015
- be indexed only after the LCGE for gains realized on the disposition of qualified small business corporation shares exceeds $1 million

Automobile deductions and benefits: The 2015 prescribed rates for automobiles for purposes of determining tax-exempt allowances are 1¢ per kilometre higher than for 2014. All other 2015 prescribed rates will remain at their 2014 levels. See *Car expenses and benefits – A tax guide* at **www.pwc.com/ca/carexpenses**.

Home accessibility tax credit: Eligible individuals who spend up to $10,000 on eligible expenditures in respect of qualifying individuals (i.e. seniors and individuals who qualify for the disability tax credit) can claim a non-refundable tax credit of up to $1,500, starting 2016. Eligible expenditures for an eligible dwelling include certain renovations or alterations that increase mobility or safety.

Registered retirement income funds (RRIFs): Commencing 2015, the minimum annual withdrawal amount for RRIF holders age 71 to 94 will be reduced. RRIF holders who have already withdrawn more than the 2015 minimum amount can recontribute the excess until February 29, 2016, and deduct it in 2015.

Retirement savings plans and deferred profit sharing plans: Contribution limits will increase. See page 34.

Defined benefit registered pension plans (RPPs): The maximum pension benefit that can be paid from these plans is increasing as shown:

	Pension benefit (per year of service)
2014	$2,770
2015	$2,819
2016	Indexed

Amounts are 1/9 the defined contribution RPP maximum contribution limit for the year. See page 34.

Registered Disability Savings Plans (RDSPs): A previously introduced measure, to allow certain family members to temporarily be the RDSP holder for an individual who is unable to enter into a contract, is extended to the end of 2018.

Individuals

Charities and non-profit organizations (NPOs):
- Donations – For certain dispositions of private corporation shares or real estate after 2016, an exemption from all or a portion of the capital gains tax will be available when:
  - cash proceeds received from the disposition are donated to a qualified donee within 30 days after the disposition, and
  - the disposition was to a purchaser that dealt at arm's length with both the donor and the donee
- Investments – For certain limited partnership investments made or acquired after April 20, 2015, registered charities and registered amateur athletic associations can acquire and hold a passive interest in a limited partnership without being considered to be carrying on the business of the partnership. To qualify as a passive interest, the charity or association must:
  - deal at arm's length with each general partner of the limited partnership, and
  - together with all non-arm's length entities, hold 20% or less of the partnership interest
- Foreign charitable foundations – Effective June 23, 2015, the Minister of National Revenue, in consultation with the Minister of Finance, can grant qualified donee status to a foreign charitable foundation for 24 months if:
  - the foreign charity receives a gift from the government, and
  - the charity is pursuing activities related to disaster relief or urgent humanitarian aid or that are in Canada's national interest

Foreign property reporting: For taxation years beginning after 2014, taxpayers whose total cost of foreign property is less than $250,000 throughout the year can report the property using a simplified foreign asset reporting form.

Trusts and estates: Starting 2016 taxation years:
- a flat top-rate tax (instead of graduated tax rates) will apply to testamentary trusts, estates, and grandfathered inter vivos trusts; however, certain testamentary trusts will be able to use graduated tax rates
- testamentary trusts, other than graduated rate estates, will be required to have calendar taxation years
- the amount that a trust can designate as not having been paid or payable to a beneficiary will be limited
- the tax on taxable capital gains that arise in spousal trusts (testamentary or inter vivos), joint spousal trusts, alter ego trusts or self-benefit trusts on the death of certain individuals, will be payable by the deceased individual's estate because the taxable capital gain will be deemed payable to that estate

See our *Tax Insights* "New tax rules for testamentary trusts: The bad and the good (and some surprises)" at **www.pwc.com/ca/taxinsights**.

Mineral exploration tax credit for flow-through shares: This credit is extended by one year to apply to flow-through share agreements entered into before April 1, 2016.

Trust loss restriction rules: Retroactive to the introduction of these rules (i.e. March 21, 2013), relieving measures:
- provide an exception for investment funds
- limit the consequences of a loss restriction event

See our *Tax Insights* "Trust loss restriction rules: Proposed amendments" at **www.pwc.com/ca/taxinsights**.

Repeated failure to report income penalty: Effective 2015, the penalty for repeated failures to report income will:
- apply only if the taxpayer fails to report at least $500 of income in the year and in any of the three preceding taxation years
- not exceed 10% of the unreported income

Information sharing for collections: Upon royal assent of the enacting legislation, the Canada Revenue Agency (CRA) can share taxpayer information between its staff that are collecting tax and non-tax debts.

Notice of assessments: For appeals made after royal assent to the enacting legislation, clarifications will ensure that the CRA and the courts can increase or adjust an amount included in an assessment while that assessment is under objection or appeal, but only if the total amount of the assessment does not increase.

Automatic exchange of information: Starting July 1, 2017, Canada will implement the new common reporting standard for automatic information exchange developed by the Organisation for Economic Co-operation and Development (OECD), allowing a first exchange of information with other countries in 2018.

Underground economy: Under the CRA's three-year strategy to combat the underground economy in Canada, the CRA will:
- further refine its understanding of the underground economy
- seek to reduce the social acceptability of participating in the underground economy
- deploy initiatives to encourage compliance and reduce participation in the underground economy

Tax treaties: Recent developments are shown below.

See page 42.	Ratified and entered into force	Signed but awaiting ratification	Under negotiation
Tax treaties	New Zealand United Kingdom[1]	Spain[1]	None

1. These protocols, among other things, ensure that Canada has an effective exchange of information, in accordance with the internationally agreed standard developed by the OECD.

Individuals

Alberta

	Top combined rates			
	Ordinary income	Capital gains	Dividends: Eligible	Dividends: Non-eligible
2014	39.00%	19.50%	19.29%	29.36%
2015	40.25%	20.13%	21.02%	30.84%

2015 Alberta					
Basic personal amount	$18,214	Indexing factor	2.4%		
Bracket	$0	$125,000	$150,000	$200,000	$300,000
Rate	10%	10.5%	10.75%	11%	11.25%

Highlights of changes

Personal tax system: Legislation that governs the collection of Alberta's personal income taxes by the federal government appears to prevent the application of the tax for 2015. However, based on discussions with the federal government, Alberta believes the rate increase will proceed, with higher payroll withholdings starting October 1, 2015.

Taxable income brackets will be indexed, starting 2017.

		2014	2015	2016
Taxable income	> $300,000	10%	11.25%	15%
	$200,000 – $300,000		11%	14%
	$150,000 – $200,000		10.75%	13%
	$125,000 – $150,000		10.5%	12%

The top combined rate on ordinary income will increase to 44% in 2016.

Dividends:

	Eligible dividends			Non-eligible dividends					
	2014	2015	2016	2014	2015	2016	2017	2018	2019
Dividend gross-up	38%			18%		17%		16%	15%
Dividend tax credit (on grossed-up dividend)	10%			3.1%		2.95%		2.8%	2.65%
Top combined rate	19.29%	21.02%	26.19%	29.36%	30.84%	35.72%	36.30%	36.76%	37.17%

The dividend tax credit rates and top combined rates for 2016 to 2019 assume the province does not revise its legislation.

Top combined rates apply when taxable income exceeds:
- $136,270 in 2014
- $300,000 in 2015 and 2016 (indexed after 2016)

Tax on split income: Starting 2015, the tax on split income will be calculated using the highest tax rate of 11.25% for 2015 and 15% after 2015, instead of 10%.

Alberta's new government had not released its budget at the time of publication. Important post-publication changes will be on **www.pwc.com/ca/taxinsights**.

British Columbia

	Top combined rates			
	Ordinary income	Capital gains	Dividends: Eligible	Dividends: Non-eligible
2014 2015	45.80%	22.90%	28.68%	37.99%

2015 British Columbia						
Basic personal amount	$9,938	Indexing factor	0.7%			
Bracket	$0	$37,869	$75,740	$86,958	$105,592	$151,050
Rate	5.06%	7.7%	10.5%	12.29%	14.7%	16.8%

Can be reduced for low incomes.

Highlights of changes

Personal tax system: Starting 2016, the tax rate on taxable income over $151,050 will drop from 16.8% to 14.7% (the rate that was in effect in 2013), decreasing the top combined rate on ordinary income from 45.80% to 43.70%.

Dividends:

	Eligible dividends		Non-eligible dividends				
	2015	2016	2015	2016	2017	2018	2019
Dividend gross-up	38%		18%	17%		16%	15%
Dividend tax credit (on grossed-up dividend)	10%		2.59%	2.47%		2.34%	2.22%
Top combined rate	28.68%	25.78%	37.99%	35.93%	36.51%	36.94%	37.32%

The dividend tax credit rates and top combined rates for 2016 to 2019 assume the province does not revise its legislation.

BC tax reduction credit: Starting 2015, enhancements increase this credit to $432, the phase-out threshold to $19,000, and the phase-out rate to 3.5% of net income.

Children's fitness equipment credit: Starting 2015, parents can claim a new tax credit that equals 50% of the BC children's fitness credit amount claimed for their children, providing an additional benefit of up to $13 per child.

Training tax credits: These credits are extended three years to December 31, 2017.

BC Mining Flow-Through Share Tax Credit: The credit is extended by one year to December 31, 2015.

Medical Services Plan: Monthly premiums are increasing as follows:

		Single	Family (2 persons)	Family (> 2 persons)
Effective date	Before January 1, 2015	$69.25	$125.50	$138.50
	January 1, 2015	$72.00	$130.50	$144.00
	January 1, 2016	$75.00	$136.00	$150.00

Manitoba

	Top combined rates			
	Ordinary income	Capital gains	Dividends: Eligible	Dividends: Non-eligible
2014 / 2015	46.40%	23.20%	32.26%	40.77%

2015 Manitoba				
Basic personal amount	$9,134	Indexing factor	n/a	
Bracket	$0	$31,000	$67,000	
Rate	10.8%	12.75%	17.4%	

Can be reduced for low incomes.

Highlights of changes

Dividends:

	Non-eligible dividends				
	2015	2016	2017	2018	2019
Dividend gross-up	18%	17%		16%	15%
Dividend tax credit (on grossed-up dividend)	0.83%				
Top combined rate	40.77%	41.01%	41.59%	41.83%	42.02%

The dividend tax credit rates and top combined rates for 2016 to 2019 assume the province does not revise its legislation.

Community Enterprise Development Tax Credit: The eligible investment period for this credit will be extended to the first 60 days following the end of the calendar year, commencing January 1, 2015, with respect to 2014.

Volunteer firefighters' and search and rescue volunteers' tax credits: Starting 2015, Manitobans who perform at least 200 hours of combined volunteer firefighting and volunteer search and rescue services in a year can claim this new non-refundable tax credit (maximum annual benefit of $324).

Primary caregiver tax credit: Starting 2015, this refundable tax credit will increase from a maximum annual amount of $1,275 to $1,400.

New Brunswick

	Top combined rates			
	Ordinary income	Capital gains	Dividends: Eligible	Dividends: Non-eligible
2014	46.84%	23.42%	27.35%	36.02%
2015	54.75%	27.38%	38.27%	46.89%

2015 New Brunswick						
Basic personal amount	$9,633	Indexing factor	1.7%			
Bracket	$0	$39,973	$79,946	$129,975	$150,000	$250,000
Rate	9.68%	14.82%	16.52%	17.84%	21%	25.75%

Can be reduced for low incomes.

Highlights of changes

Personal tax system: Starting 2015, New Brunswick's personal income tax rates on taxable income over $150,000 will increase from 17.84% to:

- 21% on taxable income between $150,000 and $250,000
- 25.75% on taxable income over $250,000

Neither the $150,000 nor $250,000 bracket will be indexed.

Dividends:

	Eligible dividends		Non-eligible dividends					
	2014	2015	2014	2015	2016	2017	2018	2019
Dividend gross-up	38%		18%		17%		16%	15%
Dividend tax credit (on grossed-up dividend)	12%		5.3%	4%				
Top combined rate	27.35%	38.27%	36.02%	46.89%	47.07%	47.65%	47.84%	47.98%

The dividend tax credit rates and top combined rates for 2016 to 2019 assume the province does not revise its legislation.

Top combined rates apply when taxable income exceeds:

- $136,270 in 2014
- $250,000 after 2014

Small Business Investor Tax Credit: For investments made after March 31, 2015, the tax credit rate for individuals will increase from 30% to 50% (maximum annual tax credit will increase from $75,000 to $125,000).

Seniors' home renovation tax credit: Effective 2015, a new refundable tax credit of up to $1,000 per year, for up to $10,000 of eligible home renovation expenses, is available to seniors or to family members who are living with a senior.

Tuition tax rebate: This rebate for New Brunswick post-secondary graduates will be eliminated. Applications for 2014 must be made before 2016. No applications will be accepted after 2015.

Individuals

Newfoundland and Labrador

	Top combined rates			
	Ordinary income	Capital gains	Dividends: Eligible	Dividends: Non-eligible
2014	42.30%	21.15%	22.47% or 30.19%	31.01% or 32.08%
2015	**43.30%**	**21.65%**	**31.57%**	**33.26%**

For dividends, 22.47% and 31.01% applied before July 1, 2014.

2015 Newfoundland and Labrador					
Basic personal amount	$8,767	**Indexing factor**	2.2%		
Bracket	$0	$35,008	$70,015	$125,000	$175,000
Rate	7.7%	12.5%	13.3%	13.8%	14.3%

Can be reduced for low incomes.

Highlights of changes

Personal tax system: Newfoundland and Labrador's personal income tax rates on taxable income over $125,000 will increase from 13.3% to:

- 13.8% for 2015 and 14.3% after 2015 on taxable income between $125,000 and $175,000
- 14.3% for 2015 and 15.3% after 2015 on taxable income over $175,000; therefore, the top combined rate on ordinary income will increase to 44.30% in 2016

The $125,000 and $175,000 brackets will be indexed.

Charitable donations tax credit: The tax credit rate on donations over $200 will increase from 13.3% in 2014 to 14.3% in 2015 and to 15.3% after 2015.

Dividends:

After June 30, 2014

	Eligible dividends			Non-eligible dividends					
	2014	**2015**	**2016**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
Dividend gross-up	38%			18%		17%		16%	15%
Dividend tax credit (on grossed-up dividend)	5.4%			4.1%					
Top combined rate	30.19%	31.57%	32.95%	32.08%	33.26%	34.72%	35.31%	35.60%	35.85%

The dividend tax credit rates and top combined rates for 2016 to 2019 assume the province does not revise its legislation.

Top combined rates apply when taxable income exceeds:

- $136,270 in 2014
- $175,000 in 2015 (indexed after 2015)

Harmonized Sales Tax (HST): On January 1, 2016, the HST rate will increase from 13% to 15% (the provincial portion of the HST will increase from 8% to 10%). Starting with the October 2016 payment, the HST credit will be enhanced.

Northwest Territories

	Top combined rates			
	Ordinary income	Capital gains	Dividends: Eligible	Dividends: Non-eligible
2014 / **2015**	**43.05%**	**21.53%**	**22.81%**	**30.72%**

2015 Northwest Territories				
Basic personal amount	$ 13,900	**Indexing factor**	1.7%	
Bracket	$0	$40,484	$80,971	$131,641
Rate	5.9%	8.6%	12.2%	14.05%

Highlights of changes

Dividends:

	Non-eligible dividends				
	2015	**2016**	**2017**	**2018**	**2019**
Dividend gross-up	18%	17%		16%	15%
Dividend tax credit (on grossed-up dividend)	6%				
Top combined rate	30.72%	31.04%	31.62%	31.94%	32.22%

The dividend tax credit rates and top combined rates for 2016 to 2019 assume the territory does not revise its legislation.

Nova Scotia

	Top combined rates			
	Ordinary income	Capital gains	Dividends: Eligible	Dividends: Non-eligible
2014	50.00%	25.00%	36.06%	39.07%
2015	50.00%	25.00%	36.06%	41.87%

2015 Nova Scotia					
Basic personal amount	$8,481	Indexing factor	n/a		
Bracket	$0	$29,590	$59,180	$93,000	$150,000
Rate	8.79%	14.95%	16.67%	17.5%	21%

Can be reduced for low incomes.

Highlights of changes

Personal tax system: If Nova Scotia tables a budget surplus in its 2016-2017 fiscal year, for 2016 the $150,000 bracket and 21% rate will be eliminated, but a 10% surtax on provincial income tax exceeding $10,000 will be reinstated. These changes would decrease the top combined rate on ordinary income from 50% to 48.25%.

Dividends:

If Nova Scotia tables a budget surplus in its 2016-2017 fiscal year, the top combined rate for eligible dividends will be 32.42% in 2016 and for non-eligible dividends will be 39.86% in 2016, 40.44% in 2017, 40.90% in 2018, and 41.32% in 2019.

	Non-eligible dividends					
	2014	2015	2016	2017	2018	2019
Dividend gross-up	18%	18%	17%	17%	16%	15%
Dividend tax credit (on grossed-up dividend)	5.87%	3.5%	3.33%	3.33%	3.16%	2.99%
Top combined rate	39.07%	41.87%	42.29%	42.88%	43.30%	43.68%

The dividend tax credit rates and top combined rates for 2016 to 2019 assume the province does not revise its legislation.

Healthy living tax credit: Effective January 1, 2015, this credit is eliminated.

Tax, regulatory and fee review: Nova Scotia will consider the recommendations in the November 2014 Tax and Regulatory Review Report by consulting with Nova Scotians and creating a tax working group to consider implementation challenges and opportunities.

Nunavut

	Top combined rates			
	Ordinary income	Capital gains	Dividends: Eligible	Dividends: Non-eligible
2014	40.50%	20.25%	27.56%	31.19%
2015	40.50%	20.25%	27.56%	31.19%

2015 Nunavut				
Basic personal amount	$12,781	Indexing factor	1.7%	
Bracket	$0	$42,622	$85,243	$138,586
Rate	4%	7%	9%	11.5%

Highlights of changes

Dividends:

	Non-eligible dividends				
	2015	2016	2017	2018	2019
Dividend gross-up	18%	17%	17%	16%	15%
Dividend tax credit (on grossed-up dividend)	3.05%	2.91%	2.91%	2.76%	2.61%
Top combined rate	31.19%	31.67%	32.26%	32.74%	33.19%

The dividend tax credit rates and top combined rates for 2016 to 2019 assume the territory does not revise its legislation.

Tax system review: Nunavut plans to conduct a comprehensive review of its tax system in the 2015-2016 fiscal year, with implementation in the 2016-2017 fiscal year.

Go to contents

Individuals

Ontario

	Top combined rates			
	Ordinary income	Capital gains	Dividends: Eligible	Dividends: Non-eligible
2014 2015	49.53%	24.76%	33.82%	40.13%

Dividend tax rates are determined by calculating the Ontario surtax before deducting dividend tax credits from Ontario tax.

2015 Ontario					
Basic personal amount	$9,863	Indexing factor	2.0%		
Bracket	$0	$40,922	$81,847	$150,000	$220,000
Rate	5.05%	9.15%	11.16%	12.16%	13.16%

Can be reduced for low incomes.

Surtax: 20% of basic provincial tax in excess of $4,418 + 36% of basic provincial tax in excess of $5,654.

Highlights of changes

Dividends:

	Non-eligible dividends: 2015	2016	2017	2018	2019
Dividend gross-up	18%	17%		16%	15%
Dividend tax credit (on grossed-up dividend)	4.5%	4.29%		4.07%	3.85%
Top combined rate	40.13%	40.62%	41.21%	41.70%	42.15%

The dividend tax credit rates and top combined rates for 2016 to 2019 assume the province does not revise its legislation.

Trusts and estates: Commencing 2016 taxation years:

- a flat top-rate tax of 20.53% (instead of graduated tax rates) will apply to testamentary trusts, certain estates and grandfathered inter vivos trusts. Graduated tax rates will continue to apply for testamentary trusts:
  - that arise as a consequence of an individual's death (the first 36 months of an estate only)
  - that have beneficiaries who qualify for the disability tax credit
- trusts subject to the flat top-rate tax will be eligible for a charitable donations tax credit rate of 17.41% on donations exceeding $200

Estate information return: Beginning January 1, 2015, a new "Estate Information Return" must be filed within 90 calendar days after a "Certificate of Appointment of Estate Trustee" is issued. The return contains an inventory of estate assets, including a description of and value for each, and will be used to calculate Ontario probate fees (officially the Estate Administration Tax).

Prince Edward Island

	Top combined rates			
	Ordinary income	Capital gains	Dividends: Eligible	Dividends: Non-eligible
2014 2015	47.37%	23.69%	28.70%	38.74%

2015 Prince Edward Island			
Basic personal amount	$7,708	Indexing factor	n/a
Bracket	$0	$31,984	$63,969
Rate	9.8%	13.8%	16.7%

Can be reduced for low incomes.

Surtax: 10% of basic provincial tax in excess of $12,500.

Highlights of changes

Dividends:

	Non-eligible dividends: 2015	2016	2017	2018	2019
Dividend gross-up	18%	17%		16%	15%
Dividend tax credit (on grossed-up dividend)	3.2%	3.05%		2.9%	2.74%
Top combined rate	38.74%	39.19%	39.77%	40.21%	40.62%

The dividend tax credit rates and top combined rates for 2016 to 2019 assume the province does not revise its legislation.

Low-income tax reduction: Starting 2015, this reduction is enhanced by:

- increasing the:
  - threshold at which the reduction is phased out from $15,000 to $17,000
  - basic reduction and spouse/equivalent to spouse reduction from $250 to $300
  - reduction for each dependent from $200 to $250
- introducing an additional credit of $250 for individuals who are at least 65 by the end of the year

Individuals

Quebec

	Top combined rates			
	Ordinary income	Capital gains	Dividends Eligible	Dividends Non-eligible
2014 / 2015	49.97%	24.98%	35.22%	39.78%

2015 Quebec				
Basic personal amount	$11,425	Indexing factor	1.06%	
Bracket	$0	$41,935	$83,865	$102,040
Rate	16%	20%	24%	25.75%

Quebec is the only jurisdiction that does not use the federal definition of taxable income.

Federal rates that apply are reduced by the 16.5% “Quebec abatement.”

Bracket	$0	$44,701	$89,401	$138,586
Rate	12.53%	18.37%	21.71%	24.22%

Highlights of changes

Dividends:

	Non-eligible dividends 2015	2016	2017	2018	2019
Dividend gross-up	18%	17%		16%	15%
Dividend tax credit (on grossed-up dividend)	7.05%				
Top combined rate	39.78%	39.93%	40.42%	40.57%	40.68%

Quebec will harmonize with the federal changes to the gross-up factor for non-eligible dividends (see page 8), but will not modify the rate of its dividend tax credit.

Health contribution: The health contribution will be gradually eliminated as follows:
- annual maximum contribution per individual will decrease from $1,000 to $800 in 2017, to $600 in 2018 and to nil in 2019
- for 2017 and 2018, individuals with incomes of $40,820 or less (2015 threshold to be indexed) will be exempt from the health contribution

Tax credit for experienced workers: The:
- tax credit will be reduced if the individual’s eligible work income exceeds a threshold, starting 2016
- minimum age to qualify for this credit will be reduced from 65 in 2015 to 63 in 2017
- maximum eligible work income that can qualify for this credit will increase from $4,000 in 2015 to $10,000 in 2018

Age tax credit: The age to qualify for this credit will increase gradually from 65 in 2015 to 70 in 2020.

“Tax shield” credit: Starting 2016, this new refundable credit can be claimed by individuals who have higher eligible work income than the previous year, which results in lower refundable tax credits relating to a work premium and/or for childcare expenses.

Refundable tax credit for childcare expenses: Maximum amounts that can be claimed for child care expenses for each child will increase:

	Annual expenses 2014	Annual expenses 2015	Weekly expenses paid to a boarding school or camp 2014	Weekly expenses paid to a boarding school or camp 2015
Eligible for the disability tax credit	$10,000	$11,000	$250	$275
Under age seven	$9,000		$175	$200
Age seven to 16 (and infirm dependent children over 16)	$4,000	$5,000	$100	$125

Refundable tax credit for the treatment of infertility: Expenses related to in vitro fertilization that are eligible for medical credits will be revised. Also, starting 2015, changes:
- allow from 20% to 80%, depending on income, (instead of 50%) of up to $20,000 of eligible expenses to qualify
- introduce additional eligibility conditions (e.g. only households without children will be eligible)
- restrict expenses that qualify as eligible expenses

Union, professional or other dues: Starting 2015, the non-refundable tax credit rate for these dues is reduced from 20% to 10%.

Lifetime capital gains exemption (LCGE) for farm and fishing property: The maximum LCGE for capital gains realized on the disposition of qualified farm and fishing property will:
- increase from $800,000 to $1 million for dispositions made after 2014
- be indexed only after the LCGE for gains realized on the disposition of qualified small business corporation shares exceeds $1 million

Transfer of family businesses: For share dispositions after December 31, 2016, to a corporation with which the seller is not dealing at arm’s length, the seller can claim the lifetime capital gains exemption if, among other things:
- the shares are qualified small business corporation shares of a corporation in the primary or manufacturing sector
- the gain is treated as a deemed dividend under the federal integrity rules

Saskatchewan

	Top combined rates			
	Ordinary income	Capital gains	Dividends: Eligible	Dividends: Non-eligible
2014 / 2015	44.00%	22.00%	24.81%	34.91%

2015 Saskatchewan			
Basic personal amount	$15,639	Indexing factor	1.7%
Bracket	$0	$44,028	$125,795
Rate	11%	13%	15%

Highlights of changes

Dividends:

	Non-eligible dividends				
	2015	2016	2017	2018	2019
Dividend gross-up	18%	17%		16%	15%
Dividend tax credit (on grossed-up dividend)	3.4%	3.24%		3.07%	2.91%
Top combined rate	34.91%	35.38%	35.97%	36.44%	36.87%

The dividend tax credit rates and top combined rates for 2016 to 2019 assume the province does not revise its legislation.

Active Families Benefit: Starting 2015, this benefit will be income-tested; it will be available only to families with combined net incomes up to $60,000.

Graduate retention program: Starting 2015, this program will operate as a non-refundable tax credit (unused credits can be carried forward ten years from the year of graduation).

Yukon

	Top combined rates			
	Ordinary income	Capital gains	Dividends: Eligible	Dividends: Non-eligible
2014	42.40%	21.20%	15.93% to 19.29%	32.04%
2015	44.00%	22.00%	19.29%	35.18%

2015 Yukon					
Basic personal amount	$11,327	Indexing factor	1.7%		
Bracket	$0	$44,701	$89,401	$138,586	$500,000
Rate	6.4%	9%	10.9%	12.8%	15%

Highlights of changes

Personal tax system: Starting 2015, Yukon's:

- personal income tax rates are revised:

Income tax rates		2014	2015
	Highest	12.76%	15%
			12.8%
	↑	11.44%	10.9%
		9.68%	9%
	Lowest	7.04%	6.4%

New tax bracket of $500,000, starting 2015, which will not be indexed.

- 5% surtax, which applied on territorial tax exceeding $6,000, is eliminated
- low-income family tax credit is repealed
- charitable donations tax credit rate on donations exceeding $200 is 12.8% (up from 12.76%)

Dividends:

	Eligible dividends		Non-eligible dividends					
	2014	2015	2014	2015	2016	2017	2018	2019
Dividend gross-up	38%		18%		17%		16%	15%
Dividend tax credit (on grossed-up dividend)	15.08%	15%	4.03%	3.17%	3.14%	3.21%	3.18%	3.14%
Top combined rate	15.93% to 19.29%	19.29%	32.04%	35.18%	35.50%	36.00%	36.32%	36.60%

The dividend tax credit rates and top combined rates for 2016 to 2019 assume the territory does not revise its legislation.

Top combined rates apply when taxable income exceeds:
- $136,270 in 2014
- $500,000 after 2014

Child tax credit: This credit is repealed after 2014. (The family caregiver tax credit for an infirm, minor child that was claimed with the child tax credit will remain effective after 2014).

Children's fitness tax credit: This credit was doubled to a maximum of $1,000 of eligible expenses, starting 2014, and is replaced with a 6.4% refundable tax credit, starting 2015. The additional $500 credit remains available for children under 19 who qualify for the disability tax credit, and is also refundable.

Political contribution tax credit: For political contributions made after 2015, the maximum credit will be $650 (on $1,275 of contributions), up from $500 (on $1,150 of contributions).

Go to contents

Corporations

Corporate income tax rates

To compute rates for off-calendar year ends, refer to pages 22 to 30. For income not earned in a province or territory, see page 18.

For non-resident corporations, the general and M&P rates in the table apply to business income attributable to a permanent establishment in Canada. Different rates may apply to non-residents in other circumstances. Non-resident corporations may also be subject to branch tax (see page 18).

$500,000 threshold ($425,000 in Manitoba and $350,000 in Nova Scotia): This threshold is shared by associated CCPCs. It is reduced on a straight-line basis for CCPCs that, in the preceding year, had taxable capital employed in Canada (on an associated basis) between $10 million and $15 million. This clawback also applies to all provincial and territorial small business deductions.

Income above $500,000 ($425,000 in Manitoba and $350,000 in Nova Scotia): A CCPC's active business income above this threshold is subject to the general and M&P rate.

Investment income: See Refundable Investment Tax on page 18 for more details.

Twelve-month taxation year ended December 31, 2015

		General and Manufacturing and Processing (M&P) (%)	Canadian-Controlled Private Corporations (CCPCs) (%): Active business income earned in Canada to $500,000	Canadian-Controlled Private Corporations (CCPCs) (%): Investment income
Basic federal rate		38		
Less:	Provincial abatement	-10		
	General rate reduction or M&P deduction	-13	n/a	
	Small business deduction	n/a	-17	
Plus:	Refundable investment tax	n/a	n/a	6.67
Federal rate		**15**	**11**	**34.67**

The general and M&P rate does not apply to certain types of income. See page 21.

Corporations subject to Ontario income tax may also be liable for Ontario corporate minimum tax. See page 27.

		General and M&P: Provincial/ Territorial	General and M&P: Combined	CCPC active business: Provincial/ Territorial	CCPC active business: Combined	Investment income: Provincial/ Territorial	Investment income: Combined
Alberta		11.01	**26.01**	3	**14**	11.01	**45.67**
British Columbia		11	**26**	2.5	**13.5**	11	**45.67**
Manitoba		12	**27**	0[1] or 12[1]	**11**[1] or **23**[1]	12	**46.67**
New Brunswick		12	**27**	4	**15**	12	**46.67**
Newfoundland and Labrador	General	14 **H**	**29**	3 **H**	**14**	14 **H**	**48.67**
	M&P	5 **H**	**20**			n/a	
Northwest Territories		11.5	**26.5**	4	**15**	11.5	**46.17**
Nova Scotia		16	**31**	3[1] **H** or 16[1]	**14**[1] or **27**[1]	16	**50.67**
Nunavut		12	**27**	4	**15**	12	**46.67**
Ontario	General	11.5 **H**	**26.5**	4.5 **H**	**15.5**	11.5 **H**	**46.17**
	M&P	10 **H**	**25**			n/a	
Prince Edward Island		16 **H**	**31**	4.5 **H**	**15.5**	16 **H**	**50.67**
Quebec	General	11.9 **H**	**26.9**	8 **H**	**19**	11.9 **H**	**46.57**
	M&P			4.49 **H**	**15.49**	n/a	
Saskatchewan	General	12	**27**	2	**13**	12	**46.67**
	M&P	10	**25**			n/a	
Yukon	General	15	**30**	3	**14**	15	**49.67**
	M&P	2.5	**17.5**	1.5	**12.5**	n/a	

Special rules apply to M&P income in Ontario (see page 27), Quebec (see page 28) and Saskatchewan (see page 30).

H Tax holidays are available to certain corporations. See the table on page 19.

1. The lower rate applies to active business income up to $425,000 in Manitoba and $350,000 in Nova Scotia and the higher rate to active business income from these thresholds to $500,000.

Corporations

Other federal tax rates and income tax deadlines

Other federal rates

Therefore, the federal rate is 25%, instead of 15% (see page 17).

	Rate	Corporations affected	Description	Special rules
Income not earned in a province or territory	25%	All corporations	Income tax is calculated as follows: Basic federal rate 38% Less: General rate reduction - 13% Federal rate 25%	Corporate income that is not earned in a province or territory is neither: • eligible for the provincial abatement, nor • subject to provincial or territorial tax (exceptions apply)
Branch Tax	25%	Non-resident corporations, except: • transportation, communications and iron-ore mining companies • insurers (other than in special circumstances)	Applies to after-tax profits that are not invested in qualifying property in Canada.	The 25% rate may be reduced by the relevant tax treaty (generally to the withholding tax rate on dividends, which is usually 5%, 10% or 15%). Some treaties prohibit the imposition of branch tax or provide that the tax is payable only on earnings exceeding a threshold.
Part III.1 Tax on Excess Eligible Dividend Designations	20% or 30%	Canadian-resident corporations	Applies if: • a CCPC has designated as eligible dividends during the year an amount that exceeds the corporation's general rate income pool (GRIP) at the end of the year • a non-CCPC pays an eligible dividend when it has a positive balance in its low rate income pool (LRIP)	A corporation subject to Part III.1 tax at the 20% rate (i.e. the excess designation was inadvertent) can elect, with shareholder concurrence, to treat all or part of the excess designation as a separate non-eligible dividend, in which case Part III.1 tax will not apply to the amount that is the subject of the election.
Refundable Part IV Tax	33-1/3%	Private corporations Certain public corporations	Payable on taxable dividends received from certain taxable Canadian corporations.	Refundable to the corporation through the refundable dividend tax on hand (RDTOH) mechanism at a rate of $1 for every $3 of taxable dividends paid.
Refundable Investment Tax	6-2/3%	Canadian-controlled private corporations (CCPCs)	Increases the total federal rate that applies to investment income of a CCPC to 34.67% (see page 17). Generally, 26-2/3% of a CCPC's aggregate investment income is added to its RDTOH.	
Part VI Financial Institutions Capital Tax	1.25%	Banks Trust and loan corporations Life insurance companies	Applies if capital employed in Canada is over $1 billion. The threshold is shared by related corporations.	Reduced by the corporation's federal income tax liability. Any unused federal income tax liability can be applied to reduce Financial Institutions Capital Tax for the previous three years and the next seven.

Income tax deadlines

CCPCs can pay federal and Quebec instalments on the last day of months 3, 6, 9 and 12 of the taxation year, if certain conditions are met.

Two $3,000 thresholds apply; one for federal purposes and the other for all provinces and territories combined, except Alberta and Quebec.

Federal balance due deadlines also apply to Part IV tax (see above). However, no Part IV tax instalments are required.

Federal income tax payments include payments for:
- Financial Institutions Capital Tax (see above)
- Tax on Corporations Paying Dividends on Taxable Preferred Shares
- Additional Tax on Authorized Foreign Banks

		Instalment deadline	Balance due deadline	Filing deadline
General rule		**Last day of each month**	**2 months after year end**	**6 months after year end**
Exceptions	**Federal** All jurisdictions except Alberta and Quebec	Waived if total tax[1] is $\leq$ $3,000	3 months after the year end, if the corporation:[1] • was a CCPC throughout the current year, • claimed the small business deduction,[1] and • had taxable income, on an associated basis, in taxation years ending in the previous calendar year $\leq$ the total business limit for those taxation years	No exceptions
	Alberta	Waived if Alberta income tax[1] $\leq$ $2,000 or CCPC qualifies for extended balance due deadline	3 months for CCPCs that:[1] • claimed Alberta's small business deduction, and • had taxable income $\leq$ $500,000	
	Quebec	Waived if Quebec income tax[1] $\leq$ $3,000		

1. In current or previous year.

Corporations

Provincial income tax holidays and M&P investment tax credits

Income tax holidays

Other restrictions may apply.

	Eligible corporations			Holiday		Income not taxed each year
Newfoundland and Labrador	Companies meeting job creation and other conditions	Designated after December 31, 2001	Outside Northeast Avalon region	Full holiday for 15 years, phased out over next 5 years:	Additional 50% federal tax rebate	Income attributable to new or expanded business
			In Northeast Avalon region	Full holiday for 10 years, phased out over next 5 years		
		Designated before January 1, 2002				
Nova Scotia	CCPCs incorporated after April 24, 1992			For 3 years		$500,000 of active business income
Ontario	Companies incorporated in Canada after March 24, 2008, and before March 25, 2012, that commercialize intellectual property developed by Canadian universities, colleges or research institutions			For 10 years		No limit
Prince Edward Island	Aviation- and aerospace-related firms in Slemon Park			To December 31, 2022		Income attributable to PEI operations
	Bioscience companies			For 10 years		
Quebec	Businesses that carry out a large investment project of at least $100 million in Quebec			For 15 years		15% of eligible investment expenditures
	Companies incorporated in Canada after March 19, 2009, and before April 1, 2014, that commercialize intellectual property developed by Quebec universities or public research centres			For 10 years		No limit

This threshold is equal to the federal small business limit (see page 17).

Minimum employee and payroll requirements must be met.

The initial application must be submitted after November 20, 2012, and before November 21, 2017. The holiday had been 10 years, but was extended by five years, retroactively. The minimum investment threshold was $200 million for projects that began before February 11, 2015. For projects that begin after February 10, 2015, the $100 million threshold is reduced to $75 million if 90% or more of total investments is related to an "eligible region." See page 29.

M&P investment tax credits

For federal tax purposes, M&P investment tax credits are considered government assistance and reduce the capital cost of the M&P asset.

An additional 25% credit may be claimed in PEI by export-focused corporations.

Manitoba's refundable portion of the credit was 70% for qualified property acquired before July 1, 2013.

	Rate	For M&P property acquired: After	Before	Carry-back	Carry-forward	Refundable
Manitoba	10%	March 11, 1992	January 1, 2018	3 years	10 years	80%
Nova Scotia	15%	December 31 2014	January 1, 2025	n/a		100%
Prince Edward Island	10%	December 31, 1992	No cut-off	3 years	7 years	No
Quebec	5% to 40%	March 13, 2008	June 5, 2014		20 years	Sometimes
	4% to 32%	June 4, 2014	January 1, 2017			
	4% to 24%	December 31, 2016	January 1, 2023			
Saskatchewan	6%	March 26, 1999	April 1, 2004		10 years	No
	7%	March 31, 2004	October 28, 2006			
	5%	October 27, 2006	No cut-off	n/a		100%

Nova Scotia's credit can be claimed by corporations primarily in the M&P, farming, fishing, and logging sectors for capital equipment that is part of a capital project that has a total cost exceeding $15 million.

In Quebec:
- a cumulative limit of $75 million of eligible investments qualifies for this credit at rates above 4% (5% before June 5, 2014) and/or refundability
- up to an additional 10% tax credit may be available for M&P equipment acquired by qualifying small- and medium-sized enterprises before June 5, 2014
- the expenses eligible for this credit are reduced by an exclusion threshold of $12,500 for each qualified property, generally for qualified property acquired after December 2, 2014
- qualified property acquired only in the "remote zones," "eastern part of the Bas-Saint-Laurent administrative region" and "intermediate zones" are eligible for this credit, for eligible expenses incurred after December 31, 2016

Depends on level of consolidated paid-up capital.

Saskatchewan's credit is refundable for purchases after April 6, 2006.

Corporations

Financial institutions capital tax rates and deadlines

See *Insurance industry: Key tax rates and updates* at **www.pwc.com/ca/insurancekeytaxrates** for rates that apply to insurance companies.

		Twelve-month taxation year ended December 31, 2015 – Rate	Twelve-month taxation year ended December 31, 2015 – Exemption	Instalment deadlines	Balance due and filing deadlines
Federal (Part VI Financial Institutions Capital Tax)		1.25%	$1 billion	Same as federal income tax (page 18)	
Manitoba	If taxable paid-up capital < $4 billion	Nil	n/a	15th day of months 3, 6, 9 and 12 of the year (If capital tax[1] ≤ $5,000, one instalment three months after year end)	6 months after year end
	If taxable paid-up capital ≥ $4 billion	6%	$10 million		
New Brunswick		4%		20th day of each month	
Newfoundland and Labrador	If paid-up capital ≤ $10 million	4.75%	$5 million	Same as federal income tax (page 18)	
	If paid-up capital > $10 million		Nil		
Nova Scotia	Trust and loan corporations – Head office in NS	4%	$30 million	20th day of each month	6 months after year end
	Trust and loan corporations – Other		$500,000		
	Banks				
Prince Edward Island		5%	$2 million		
Saskatchewan	If paid-up capital ≤ $1.5 billion	0.7%	Up to $20 million	Last day of each month (Waiver if capital tax for current year ≤ $4,800)	Last day of 6th month after year end
	If paid-up capital > $1.5 billion	3.25%			

See page 18 for more information.

Associated or related corporations may be required to share the exemption.

Manitoba's rate increased from 5% to 6% for taxation years ending after April 30, 2015.

Newfoundland and Labrador's rate increased from 4% to 5% on April 1, 2015.

Effective January 1, 2015, the maximum capital tax payable is $12 million annually in Nova Scotia.

If, in the taxation year ending after October 31, 2008, and before November 1, 2009, taxable paid-up capital ≤ $1.5 billion, 0.7% applies to first $1.5 billion of taxable paid-up capital.

For example, in Saskatchewan the balance payable would be June 30 for a December 15 year end.

1. In current or previous year.

Corporations

Key tax changes

Federal

The general and M&P rate does not apply to certain corporations (e.g. mutual fund corporations, mortgage investment corporations and investment corporations).

Income tax rates (for December 31, 2015 year ends)			Other 2015 rates	
General and M&P	CCPCs		Sales tax	Payroll tax
	Active business income to $500,000	Investment income		
15%	11%	34.67%	5% GST	None

For CPP and EI premiums, see page 31.

Some of the key tax changes related to individuals also affect corporations. See pages 8 and 9. See our *Tax Insights* "2015 Federal budget: A pre-election budget" at www.pwc.com/ca/budget for more information on many of the changes discussed below.

Corporate income tax rate changes

		CCPC rate
Effective date	Before January 1, 2016	11%
	January 1, 2016	10.5%
	January 1, 2017	10%
	January 1, 2018	9.5%
	January 1, 2019	9%

The government will review the circumstances in which income from a business, the principal purpose of which is to earn income from property, should qualify as active business income, which is eligible for the CCPC rate.

Capital cost allowance (CCA): New Class 53 will provide a 50% declining-balance CCA rate for eligible manufacturing and processing machinery and equipment acquired after 2015 and before 2026. Eligible assets acquired after 2025 will qualify for the 30% declining-balance CCA rate under Class 43.

Eligible capital property (ECP) regime: Draft legislative proposals that replace the ECP regime with a new CCA class and include transitional rules will be released for comment.

Remittance frequency for new employers: For withholding obligations arising after 2015, new employers:
- with monthly withholdings under $1,000 can remit source deductions quarterly, rather than monthly
- will remain eligible for quarterly remitting, as long as their required monthly withholdings are under $1,000

Small business job credit: Employers that have total employment insurance (EI) premiums in 2015 and/or 2016 of $15,000 or less will qualify for a partial refund of EI premiums.

Agricultural cooperatives: The tax deferral that applies to patronage dividends paid to members by an eligible agricultural cooperative in the form of eligible shares is extended, so that it will apply in respect of eligible shares issued before 2021.

Avoidance of corporate capital gains: For dividends received after April 20, 2015, the anti-avoidance rule in section 55 of the *Income Tax Act,* which generally taxes as capital gains certain otherwise tax-deductible inter-corporate dividends in certain situations, is proposed to be amended to address various matters including to ensure it applies when one of the purposes for a dividend is to effect a significant:
- reduction in the fair market value of any share, or
- increase in the total cost of properties of the dividend recipient

Synthetic equity arrangements: For dividends paid or that become payable after October 2015, the dividend rental arrangement rules are modified to deny the inter-corporate dividend deduction on dividends received by a taxpayer on a Canadian share in respect of which there is a synthetic equity arrangement.

Withholding tax for non-resident employees: Certain non-resident employers with non-resident employees working temporarily in Canada will be exempt from payroll withholding requirements, effective January 1, 2016. See our *Tax Insights* "2015 Federal budget: Good news for foreign employers with frequent business travellers to Canada" at **www.pwc.com/ca/taxinsights**.

Captive insurance: For taxation years beginning after April 20, 2015, an anti-avoidance rule in the foreign accrual property income (FAPI) regime, intended to prevent Canadian taxpayers from shifting income from the insurance of Canadian risks offshore, is further amended to curtail alternative tax planning arrangements intended to achieve tax benefits similar to those achieved through "insurance swaps."

Treaty shopping: On September 16, 2014, the OECD released "Preventing the Granting of Treaty Benefits in Inappropriate Circumstances – Action 6: 2014 Deliverable," largely adopting a treaty-based approach to address treaty abuse. Canada's February 11, 2014 federal budget announced the federal government was conducting a consultation on a proposed domestic rule to prevent treaty shopping.

However, on August 29, 2014, the Department of Finance stated that it had instead decided to await further work by the OECD and the Group of 20 in relation to the Base Erosion and Profit Shifting (BEPS) initiative. Canada's April 21, 2015 budget did not include a recommendation for a specific approach to deal with abusive treaty shopping, because the federal government continues to monitor OECD recommendations on this front.

Corporations

Mining and oil and gas:

- *Extractive Sector Transparency Measures Act* – For taxation years beginning after June 1, 2015 (exceptions apply), public disclosure is required of payments made of $100,000 or more to foreign and domestic governments at all levels (including Aboriginal groups) by mining and oil and gas entities engaged in the commercial development of oil, gas or minerals. See our *Tax Insights* "The new Extractive Sector Transparency Measures Act: What it means for you?" at **www.pwc.com/ca/taxinsights**.
- Canadian exploration expenses (CEE) – CEE will include mining expenses incurred after February 28, 2015, that relate to environmental studies and community consultations that are required to obtain an exploration permit.
- Liquefied natural gas (LNG) – For assets acquired after February 19, 2015, and before 2025, the CCA rates are 30% (up from 8%) for equipment used in natural gas liquefaction, and 10% (up from 6%) for buildings at a facility that liquefies natural gas.

Tax Information Exchange Agreements (TIEAs): Canada is negotiating eight TIEAs; twenty-two have entered into force (one on behalf of five jurisdictions).

Status of outstanding draft legislative proposals: The Department of Finance indicated that the following tax proposals that were announced before April 1, 2013, but were not passed into law by that date will not proceed:

- interest deductibility
- reasonable expectation of profit measures
- loss of mutual fund trust status

See our *Tax Insights* "Outstanding legislative tax proposals announced before April 1, 2013: Where do they stand?" at **www.pwc.com/ca/taxinsights**.

Alberta

Income tax rates (for December 31, 2015 year ends)			Other 2015 rates	
	CCPCs			
General and M&P	Active business income to $500,000	Investment income	Sales tax	Payroll tax
11.01%	3%	11.01%	5% GST	None
26.01%	**14%**	**45.67%**		

For CPP and EI premiums, see page 31.

Figures in **bold** are combined federal/provincial rates.

Corporate income tax rate changes

		General and M&P rate
Effective date	Before July 1, 2015	10%
	July 1, 2015	12%

Alberta's new government had not released its budget at the time of publication. Important post-publication changes will be on **www.pwc.com/ca/taxinsights**.

Corporations

British Columbia

Income tax rates (for December 31, 2015 year ends)			Other 2015 rates	
General and M&P	CCPCs: Active business income to $500,000	CCPCs: Investment income	Sales tax	Payroll tax
11%	2.5%	11%	7% PST	None
26%	**13.5%**	**45.67%**	**12%**	

For CPP and EI premiums, see page 31.

Figures in **bold** are combined federal/provincial rates.

Additional highlights

BC interactive digital media tax credit: The credit is extended three years to August 31, 2018.

Digital animation or visual effects tax credit: The credit is expanded to apply to eligible post-production expenditures for productions if principal photography begins after February 28, 2015.

Training tax credits: These credits are extended three years to December 31, 2017.

New Mine Allowance: This allowance is extended four years to new mines and expansions of existing mines that begin commercial productions by December 31, 2019.

Liquefied natural gas (LNG) tax: For taxation years beginning after December 31, 2016, a LNG tax will apply to income from liquefaction activities at or in respect of a LNG facility located in British Columbia. See our *Tax Insights* "British Columbia releases the Liquefied Natural Gas (LNG) Income Tax Act" at **www.pwc.com/ca/taxinsights**.

Manitoba

Income tax rates (for December 31, 2015 year ends)				Other 2015 rates	
General and M&P	CCPCs: Active business income to $425,000	CCPCs: Active business income $425,000 to $500,000	CCPCs: Investment income	Sales tax	Payroll tax
12%	0%	12%	12%	8% PST	Nil to 4.3% (see page 33)
27%	**11%**	**23%**	**46.67%**	**13%**	

For CPP and EI premiums, see page 31.

Figures in **bold** are combined federal/provincial rates.

Corporate income tax rate changes

		Threshold up to which CCPC rate applies
Effective date	Before January 1, 2016	$425,000
	January 1, 2016	$450,000

Additional highlights

Financial institutions capital tax: The financial institutions capital tax rate increased from 5% to 6% for taxation years ending after April 30, 2015.

Research and Development (R&D) Tax Credit: The period that R&D tax credits can be carried forward will increase from 10 to 20 years.

Green Energy Equipment Tax Credit: The credit is extended to June 30, 2023, and is expanded to include biomass fuel energy equipment that is installed in Manitoba and used in a business, at a tax credit rate of 15%.

Co-op Education and Apprenticeship Tax Credit: Enhancements to the Co-op Students Hiring Incentive and the high school apprentice component of this credit:
- allow employers who hire students in non-apprenticeship registered high school vocational programs to claim a refundable tax credit equal to 25% of eligible wages and salaries (lifetime maximum of $5,000 per student), effective September 1, 2015
- increase the benefit rate, effective taxation years ending after 2015, on eligible wages and salaries for:
  - high school apprentices – from 15% to 25% (maximum of $5,000 per apprentice per year per level)
  - post-secondary co-op students – from 10% to 15% (maximum of $5,000 per student)
  - co-op graduates – from 5% to 15% (maximum of $2,500 per graduate for each of the first two years of employment)

On September 1, 2015, the tax credit will be renamed the "Paid Work Experience Tax Credit."

Small Business Venture Capital Tax Credit: For eligible shares issued after April 30, 2015, enhancements to this credit:
- increase the maximum number of employees from 50 to 100
- broaden the list of eligible businesses to include non-traditional farming ventures and brew pubs

Data Processing Investment Tax Credits: The credits are extended (see below). In addition, retroactive to January 1, 2014, the Data Processing Centre Investment Tax Credit is broadened by:
- including new data processing centres built in Manitoba and leased to another Manitoba company that is not affiliated with the lessor
- allowing taxpayers eligible for the credit to include data processing centres built using a business structure that is not a corporation

Cultural Industries Printing Tax Credit: The credit is extended (see below) and, starting taxation years ending after 2014, it will be:
- calculated at a rate of 35% instead of 15%
- based on labour costs instead of revenues

Business tax credits: The following credits are extended three years:
- Film and Video Production Tax Credit – to December 31, 2019
- Interactive Digital Media Tax Credit – to December 31, 2019
- Rental Housing Construction Tax Credit – to December 31, 2019
- Data Processing Tax Credits – to December 31, 2018
- Cultural Industries Printing Tax Credit – to December 31, 2018
- Nutrient Management Tax Credit – to December 31, 2018

New Brunswick

Income tax rates (for December 31, 2015 year ends)			Other 2015 rates	
	CCPCs			
General and M&P	Active business income to $500,000	Investment income	Sales tax	Payroll tax
12%	4%	12%	**13%** HST	None
27%	**15%**	**46.67%**		

For CPP and EI premiums, see page 31.

Figures in **bold** are combined federal/provincial rates.

Corporate income tax rate changes

		CCPC rate
Effective date	Before January 1, 2015	4.5%
	January 1, 2015	4%
	By 2018	2.5%

Additional highlights

No significant corporate tax changes were announced.

Corporations

Newfoundland and Labrador

Income tax rates (for December 31, 2015 year ends)				Other 2015 rates	
		CCPCs			
General (non-M&P)	M&P	Active business income to $500,000	Investment income	Sales tax	Payroll tax
14% **H**	5% **H**	3% **H**	14% **H**	**13%** HST	Nil or 2% (see page 33)
29%	**20%**	**14%**	**48.67%**		

For CPP and EI premiums, see page 31.

Figures in **bold** are combined federal/provincial rates.
H = Tax holiday (see page 19).

The M&P rate applies only to companies that manufacture or process at a permanent establishment in the province.

Corporate income tax rate changes

		CCPC rate
Effective date	Before July 1, 2014	4%
	July 1, 2014	3%

Additional highlights

Financial institutions capital tax: The financial institutions capital tax rate increased from 4% to 5% on April 1, 2015.

Interactive digital media tax credit: For fiscal years beginning after 2014, a new 40% refundable tax credit can be claimed on eligible wages and remuneration paid by interactive digital media companies in Newfoundland and Labrador.

Harmonized Sales Tax (HST): On January 1, 2016, the HST rate will increase from 13% to 15% (the provincial portion of the HST will increase from 8% to 10%).

Northwest Territories

Income tax rates (for December 31, 2015 year ends)			Other 2015 rates	
	CCPCs			
General and M&P	Active business income to $500,000	Investment income	Sales tax	Payroll tax
11.5%	4%	11.5%	**5%** GST	2% (see page 33)
26.5%	**15%**	**46.17%**		

For CPP and EI premiums, see page 31.

Figures in **bold** are combined federal/territorial rates.

Paid by employees.

Additional highlights

No significant corporate tax changes were announced.

Nova Scotia

Income tax rates (for December 31, 2015 year ends)				Other 2015 rates	
General and M&P	CCPCs: Active business income to $350,000	CCPCs: Active business income $350,000 to $500,000	CCPCs: Investment income	Sales tax	Payroll tax
16%	3% **H**	16%	16%	**15%** HST	None
31%	**14%**	**27%**	**50.67%**		

For CPP and EI premiums, see page 31.

Figures in **bold** are combined federal/provincial rates.

H = Tax holiday (see page 19).

Additional highlights

Film industry tax credit: This credit is eliminated for productions with principal photography starting after June 30, 2015.

Film and television production incentive fund: For productions with principal photography starting after June 30, 2015, eligible organizations that have a permanent establishment in Nova Scotia can apply for base funding of 25% of all eligible Nova Scotia costs (plus an incentive for rural production work and Nova Scotia producers). This fund replaces the Nova Scotia film industry tax credit.

Digital media tax credit: Enhancements:
- extend the credit to December 31, 2020
- add an animation incentive of 17.5% of eligible animation labour, starting July 1, 2015 (this is in addition to the base tax credit)

Capital investment tax credit: Corporations primarily in the manufacturing and processing, farming, fishing or logging sectors can claim this 15% refundable capital tax credit for capital equipment acquired:
- for use in Nova Scotia
- after December 31, 2014, and before January 1, 2025, and
- as part of a capital project that has a total cost exceeding $15 million

Capital investment incentive: This incentive is no longer being funded by the government. It had provided a 20% credit that could be claimed by certain industries for the cost of technologically advanced machinery, clean technology, equipment, software and hardware.

Financial institutions capital tax: Effective January 1, 2015, the maximum capital tax payable by financial institutions is $12 million annually.

Tax, regulatory and fee review: Nova Scotia will consider the recommendations in the November 2014 Tax and Regulatory Review Report by consulting with Nova Scotians and creating a tax working group to consider implementation challenges and opportunities.

Nunavut

Income tax rates (for December 31, 2015 year ends)			Other 2015 rates	
General and M&P	CCPCs: Active business income to $500,000	CCPCs: Investment income	Sales tax	Payroll tax
12%	4%	12%	**5%** GST	2% (see page 33)
27%	**15%**	**46.67%**		

For CPP and EI premiums, see page 31.

Figures in **bold** are combined federal/territorial rates.

Paid by employees.

Additional highlights

Tax system review: Nunavut plans to conduct a comprehensive review of its tax system in the 2015-2016 fiscal year, with implementation in the 2016-2017 fiscal year.

Corporations

Ontario

Income tax rates (for December 31, 2015 year ends)				Other 2015 rates	
		CCPCs			
General (non-M&P)	M&P	Active business income to $500,000	Investment income	Sales tax	Payroll tax
11.5% H	10% H	4.5% H	11.5% H	**13%** HST	Nil or 1.95% (see page 33)
26.5%	**25%**	**15.5%**	**46.17%**		

For CPP and EI premiums, see page 31.

Figures in **bold** are combined federal/provincial rates.
H = Tax holiday (see page 19).

The M&P rate applies to profits from M&P, as well as from processing, farming, mining, logging and fishing operations carried on in Canada and allocated to Ontario.

Ontario corporations that, on an associated basis, have annual gross revenues of $100 million or more and total assets of $50 million or more may have a corporate minimum tax (CMT) liability based on adjusted book income. CMT is payable only to the extent that it exceeds the regular Ontario income tax liability.

General corporate rate: This rate is frozen at 11.5% until the province returns to a balanced budget (scheduled for 2017-2018). The rate was to have dropped to 11% on July 1, 2012, and to 10% on July 1, 2013.

Additional highlights

Ontario Interactive Digital Media Tax Credit (OIDMTC):
- Eligibility – For expenditures incurred after April 23, 2015:
  - the OIDMTC will focus on entertainment products and on educational products for children age 11 and under
  - certain products will be specifically excluded (i.e. search engines, real estate databases, news and public affairs)
  - the rules that exclude promotional products will be strengthened
- Certification process – For all products awaiting certification after April 23, 2015, the requirement that all or substantially all of a product be developed in Ontario will be replaced with a rule that requires:
  - 80% of total labour costs for eligible products to relate to qualifying wages and remuneration paid to individuals or corporations that carry on a personal services business, and
  - 25% of total labour costs for eligible products to relate to qualifying wages of employees of the qualifying corporation

Ontario Sound Recording Tax Credit (OSRTC): The OSRTC will be eliminated for expenditures incurred after April 23, 2015. Transitional measures will allow certain eligible expenditures incurred after April 23, 2015 to qualify.

Ontario Production Services Tax Credit (OPSTC):
- OPSTC rate – will decrease from 25% to 21.5%, for qualifying production expenditures incurred after April 23, 2015; the 25% rate will apply for expenditures incurred before August 1, 2016, in certain cases
- Eligibility – for taxation years beginning after April 23, 2015, a qualifying corporation's:
  - Ontario labour expenditures (including service contracts) must be at least 25% of its total expenditures
  - expenditures pursuant to contracts with non-arm's length parties are limited to amounts that would have been eligible for the credit if the corporation had incurred the expenditures directly
- Clarifications – ensure that only expenditures incurred after the final script stage to the end of the post-production stage are eligible, for expenditures incurred after June 30, 2009

Ontario Computer Animation and Special Effects Tax Credit (OCASE):
- OCASE rate – will decrease from 20% to 18%, for qualifying labour expenditures incurred after April 23, 2015; the 20% rate will apply for expenditures incurred before August 1, 2016, in certain cases
- Eligibility – productions that start after April 23, 2015, must receive the OFTTC or the OPSTC to claim the OCASE

Ontario resource tax credit and the additional tax on Crown royalties: Starting April 23, 2015, Ontario will:
- eliminate the Ontario resource tax credit and the additional tax on Crown royalties
- provide a deduction for royalty and mining taxes paid

Accrued but unused Ontario resource tax credit amounts can be carried forward to the first five taxation years beginning after April 23, 2015.

Apprenticeship Training Tax Credit (ATTC): For eligible expenditures related to apprentices who start an apprenticeship program after April 23, 2015:
- the 35% general rate will decline to 25%
- the 45% rate for small businesses will decline to 30%
- the 48-month eligibility period will be reduced to 36 months
- the $10,000 annual maximum tax credit will decrease to $5,000

Technical amendments: Numerous provincial statutes will be amended to improve effectiveness and enforcement.

Prince Edward Island

Income tax rates (for December 31, 2015 year ends)			Other 2015 rates	
General and M&P	CCPCs: Active business income to $500,000	CCPCs: Investment income	Sales tax	Payroll tax
16% **H**	4.5% **H**	16% **H**	**14%** HST	None
31%	**15.5%**	**50.67%**		

For CPP and EI premiums, see page 31.

Figures in **bold** are combined federal/provincial rates.
H = Tax holiday (see page 19).

Additional highlights

No significant corporate tax changes were announced.

Quebec

Income tax rates (for December 31, 2015 year ends)				Other 2015 rates	
General and M&P	CCPCs: Active business income to $500,000 – Regular	CCPCs: Active business income to $500,000 – M&P	CCPCs: Investment income	Sales tax	Payroll tax
11.9% **H**	8% **H**	4.49% **H**	11.9% **H**	9.975% QST	2.7% to 4.26%
26.9%	**19%**	**15.49%**	**46.57%**	**14.975%**	(see page 33)

For QPP, Quebec EI and QPIP premiums, see page 31.

Figures in **bold** are combined federal/provincial rates.
H = Tax holiday (see page 19).

For taxation years beginning after December 31, 2016, changes to the CCPC rates:
- require a CCPC to meet additional criteria to be eligible for the province's regular CCPC rate
- increase the regular CCPC rate in certain cases
- extend the M&P CCPC rate to CCPCs in the primary sector (i.e. agriculture; forestry; fishing and hunting; mining, quarrying, and oil and gas extraction)
- determine the percentage of activities attributable to M&P and primary activities based only on labour costs (assets are no longer a factor)

Corporate income tax rate changes

		General and M&P rate	CCPC rate M&P
Effective date	Before June 5, 2014	11.9%	8%
	June 5, 2014		6%
	April 1, 2015		4%
	January 1, 2017	11.8%	
	January 1, 2018	11.7%	
	January 1, 2019	11.6%	
	January 1, 2020	11.5%	

For taxation years beginning before January 1, 2017, the rates apply to all active business income up to $500,000 if 50% or more of the CCPC's activities are attributable to M&P (based on M&P assets and labour). Otherwise, the rates will increase generally on a straight-line basis to 8%.

For taxation years beginning after December 31, 2016, the 4% rate applies to all active business income up to $500,000 if 50% or more of the CCPC's activities are attributable to M&P and the primary sector (based on M&P and primary sector labour). Otherwise, the rates will increase generally on a straight-line basis, to 8% or the general rate, depending on the circumstances.

Additional highlights

Compensation tax for financial institutions:

		Insurance premiums	Payroll: Banks and loan, trust and security trading companies	Payroll: Savings and credit unions	Payroll: Other (excluding insurance companies)
Effective date	Before December 3, 2014	0.3%	2.8%	2.2%	0.9%
	December 3, 2014	0.48%	4.48%	3.52%	1.44%
	April 1, 2017	0.3%	2.8%	2.2%	0.9%
	April 1, 2019	Nil			

Additional deduction for manufacturing small- and medium-sized enterprises (SMEs): For taxation years beginning after 2014:
- the deduction is available to all manufacturing SMEs and will increase to up to 7% of gross income
- associated corporations must share the regional cap

Corporations

Health Services Fund (HSF): The 2.7% minimum HSF rate will decline for SMEs in the:
- primary and manufacturing sectors to 1.6%, starting 2015
- service and construction sectors in stages starting 2017, to 2.25% after 2018

M&P equipment investment tax credit: Changes:
- extend the credit by five years to December 31, 2022
- reduce the expenses eligible for this credit by a $12,500 exclusion threshold for each qualified property, generally for qualified property acquired after December 2, 2014
- reduce the maximum tax credit rate to 24% from 32% and allow qualified property used in any of three regions (see page 19) to be eligible for the credit, for eligible expenses incurred after December 31, 2016

Refundable tax credit for the integration of information technologies in M&P: For applications submitted by manufacturing SMEs after March 26, 2015, and for which a certificate is issued, the:
- credit is extended to eligible expenditures incurred before 2020, and to SMEs in the primary sector
- highest credit rate is reduced to 20% (from 25%), for a maximum cumulative credit of $50,000

Research and development (R&D) tax credits: All Quebec R&D tax credits will have the same rates:

	R&D expenditures generally incurred after June 4, 2014 and before December 3, 2014	R&D expenditures generally incurred after December 2, 2014
R&D wage tax credit	14% to 30%	
University R&D tax credit	28%	14% to 30%
Private partnership precompetitive tax credit	28%	14% to 30%
Tax credit on fees paid to a research consortium	28%	14% to 30%

The $3 million spending limit that applies to the R&D wage tax credit will apply separately to each of Quebec's R&D tax credits.

An exclusion threshold ranging from $50,000 to $225,000 will be allocated among the Quebec R&D tax credits claimed. For each R&D tax credit, the eligible R&D expenditures will be reduced by the allocated exclusion.

Tax credit for the development of e-business: Changes:
- extend the credit indefinitely
- make labour expenditures generally incurred after September 30, 2015, relating to government contracts ineligible
- ensure that only activities primarily related to e-business qualify for the credit, for taxation years beginning after March 26, 2015
- add a non-refundable credit equal to 6% of eligible wages incurred after March 26, 2015 (maximum annual credit of $5,000 per employee)

Aggressive tax planning transactions: The scope of transactions that must be disclosed to the tax authorities will be broadened, generally for transactions carried out as of March 26, 2015.

Film and television production tax credit: For productions for which an application for an advance ruling, or for a certificate, is submitted:
- after March 26, 2015, a new film category, "films adapted from a foreign format," is introduced, and the base tax credit rate will increase to 40% (French-language or giant-screen productions) and 32% (other productions), but this increase does not apply to the new film category
- after December 2, 2014 and before January 1, 2017, the basic credit will be calculated on an "increased expenditure" equal to 102% of the qualified labour expenditure

Cultural and media tax credits: The following tax credit rates will be restored to their pre-June 4, 2014 levels:

The tax credit is extended indefinitely

Tax credit	Rate generally effective before March 27, 2015	Rate generally effective after March 26, 2015
Production of multimedia titles	21% to 30%	26.25% to 37.5%
Sound recording production	28%	35%
Production of performance	28%	35%
Film dubbing	28%	35%
Production of multimedia environments or events staged outside Quebec	28%	35%
Book publishing	21.6% or 28%	27% or 35%

For qualified labour expenditures incurred after March 26, 2015, the maximum annual labour expenditures per eligible employee that can qualify for the credit will be $100,000 (exceptions apply).

For performances in which an eligibility period is not complete on March 26, 2015 (exceptions apply for comedy shows), the maximum tax credit will be:
- $1.25 million (up from $1 million) for musical comedies
- $350,000 (down from $600,000) for comedy shows
- $750,000 (up from $600,000) for other performances

Tax holiday for large investment projects: Enhancements:
- extend the deadline to apply for an initial certificate by two years to November 20, 2017
- increase the tax holiday from 10 years to 15, retroactively
- reduce the capital investment threshold for a project to qualify for the holiday (see page 19)
- extend the time limit for making capital investments from 48 months to 60 for projects in which a first application for an annual certificate was made after February 9, 2015

Refundable tax credit for on-the-job training periods: For eligible expenditures generally incurred after March 26, 2015:
- base rates will increase for corporations, from 24% to 40%, and for individuals, from 12% to 20%
- higher rates will increase for a person with a disability, from 32% to 50%, and for immigrants, from 16% to 25%, and will be available only if additional conditions are met

Insurance corporations: The tax rate on capital that insurance corporations must pay will increase from 2% to 3% on:
- premiums payable, relating to the life, health or physical well-being of the insured
- taxable premiums paid, as part of an uninsured employee benefit plan,

to an insurance corporation or its agent, for taxation years ending after December 2, 2014 (pro-rated for taxation years straddling December 2, 2014)

Corporations

Saskatchewan

Income tax rates (for December 31, 2015 year ends)				Other 2015 rates	
		CCPCs			
General (non-M&P)	M&P	Active business income to $500,000	Investment income	Sales tax	Payroll tax
12%	10%	2%	12%	5% PST	None
27%	**25%**	**13%**	**46.67%**	**10%**	

For CPP and EI premiums, see page 31.

Figures in **bold** are combined federal/provincial rates.

A rebate of up to 2% of M&P profits allocated to Saskatchewan can reduce the rate from 12% to as low as 10%.

Additional highlights

Research and development (R&D) tax credit: For R&D expenditures incurred after March 31, 2015, this credit will be non-refundable for all corporations and the rate will be reduced from 15% to 10%.

Manufacturing and processing (M&P) exporter tax incentive: Eligible corporations that export to the rest of Canada or internationally at least 25% of their manufactured goods and employ more M&P-related full-time employees than in 2014, can claim a new non-refundable tax credit for the 2015 to 2019 taxation years. The annual credit equals:

- $3,000 for each incremental full-time employee
- $10,000 for each incremental full-time "head office" employee

Additional criteria apply. Unused credits can be carried forward five years.

Corporation income tax rebate for primary steel production: Eligible primary steel producers that make a minimum capital investment of $100 million in new or expanded productive capacity can claim a five-year tax rebate, starting March 19, 2015. The rebate:

- equals a percent (from 100% in the first two years to 25% in the fifth year) of incremental Saskatchewan income tax payable by the corporation as a result of the investment
- must be used within 10 years of making the investment

Potash taxation regime:

- Potash production tax – Effective January 1, 2015, all capital expenditures will accrue at the 120% rate, but will be deductible from annual gross sales revenues at a declining balance rate of:
  - 20% for mine operation and maintenance expenditures
  - 60% for mine expansion or new mine development expenditures
- The government intends to conduct a review to simplify this regime.

Yukon

Income tax rates (for December 31, 2015 year ends)						Other 2015 rates	
		CCPCs					
General	M&P	Active business income to $500,000		Investment income		Sales tax	Payroll tax
		Non-M&P	M&P				
15%	2.5%	3%	1.5%	15%		**5%** GST	None
30%	**17.5%**	**14%**	**12.5%**	**49.67%**			

For CPP and EI premiums, see page 31.

Figures in **bold** are combined federal/territorial rates.

Corporate income tax rate changes

		CCPC rate	
		Non-M&P	M&P
Effective date	Before July 1, 2014	4%	2.5%
	July 1, 2014	3%	1.5%

Additional highlights

Political contribution tax credit: For political contributions made after 2015, the maximum credit will be $650 (on $1,275 of contributions), up from $500 (on $1,150 of contributions).

Individuals and corporations

CPP/QPP, EI and QPIP premiums

The EI premium rate will remain $1.88 for employees and $2.632 for employers for 2016. Employers may pay EI at reduced rates in certain circumstances (e.g. see Small business job credit on page 21).

				2014	2015
All contributors (other than those in Quebec)	CPP	Maximum pensionable earnings		$52,500	$53,600
		- Basic exemption		$3,500	
		= Maximum contributory earnings		$49,000	$50,100
		Employer/employee rate		4.95%	
		Maximum employer/employee contribution		$2,426	$2,480
		Self-employed contribution rate		9.9%	
		Maximum self-employed contribution		$4,851	$4,960
	EI premiums	Maximum annual insurable earnings		$48,600	$49,500
		Premium per $100 insurable earnings	Employee	$1.88	
			Employer	$2.632	
		Annual maximum contribution	Employee	$914	$931
			Employer	$1,279	$1,303
Quebec contributors	QPP (higher than CPP)	Maximum annual insurable earnings		$52,500	$53,600
		- Basic exemption		$3,500	
		= Maximum contributory earnings		$49,000	$50,100
		Employer/employee rate		5.175%	5.25%
		Maximum employer/employee contribution		$2,536	$2,630
		Self-employed contribution rate		10.35%	10.50%
		Maximum self-employed contribution		$5,072	$5,261
	EI (lower than federal EI premiums due to the QPIP)	Maximum annual insurable earnings		$48,600	$49,500
		Premium per $100 insurable earnings	Employee	$1.53	$1.54
			Employer	$2.142	$2.156
		Annual maximum contribution	Employee	$744	$762
			Employer	$1,041	$1,067
	QPIP premiums	Maximum annual insurable earnings		$69,000	$70,000
		Premium per $100 insurable earnings	Employee	$0.559	
			Employer	$0.782	
		Annual maximum contribution	Employee	$386	$391
			Employer	$540	$547
		Premium per $100 insurable earnings	Self-employed	$0.993	
		Annual maximum contribution		$685	$695

Employees with insurable earnings for the year below $2,000 can claim a refund of premiums.

Self-employed individuals are permitted to deduct half of CPP/QPP premiums paid for their own coverage. The non-deductible half qualifies for a tax credit. As well, a portion of the QPIP premiums paid by self-employed individuals is deductible. Self-employed individuals are not required to pay EI premiums, but may opt into the program and pay EI premiums at the employee rate.

Individuals and corporations

Health care premiums and sales tax rates

Health care premiums

The health care premiums shown are payable by individuals, but may be remitted through payroll withholdings.

Premiums will increase on January 1, 2016, by $3.00 for single individuals, $5.50 for two-person families and $6.00 for families of three or more persons.

			Premiums	Frequency	Relief
British Columbia	Medical Services Plan	Single	$72.00	Monthly	Low-income earners can get assistance
		Family of two	$130.50		
		Family of > two	$144.00		
Quebec	Prescription Drug Insurance Plan	Individuals	up to $611	Annual	Exemptions apply (e.g. certain seniors, students)
	Health Services Fund		up to $1,000		None

Applies only if income from certain sources, excluding remuneration, exceeds $14,285.

The premium will be adjusted on July 1, 2015.

The health contribution will be gradually eliminated from 2017 to 2019. See page 15.

	Net income	Annual premiums per individual
Quebec Health contribution	< $20,370	5% of income > $18,370
	$20,370 to $42,820	$100 + 5% of income > $40,820
	$42,820 to $152,650	$200 + 4% of income > $132,650
	≥ $152,650	$1,000

Thresholds are indexed.

	Taxable income	Annual premiums per individual
Ontario Health Premium	< $25,000	6% of income > $20,000
	$25,000 to $38,500	$300 + 6% of income > $36,000
	$38,500 to $48,600	$450 + 25% of income > $48,000
	$48,600 to $72,600	$600 + 25% of income > $72,000
	$72,600 to $200,600	$750 + 25% of income > $200,000
	≥ $200,600	$900

Sales tax rates for 2015

		Rate	Total rate
Federal		5% GST	
GST only	Alberta	5% federal GST only	
	Northwest Territories		
	Nunavut		
	Yukon		
HST	New Brunswick	13%	
	Newfoundland and Labrador		
	Nova Scotia	15%	
	Ontario	13%	
	Prince Edward Island	14%	
PST (or QST) and GST	British Columbia	7%	12%
	Manitoba	8%	13%
	Quebec	9.975%	14.975%
	Saskatchewan	5%	10%

A 5% First Nation GST applies instead in certain First Nations.

Newfoundland and Labrador's 13% rate will increase to 15% on January 1, 2016. See pages 12 and 25.

Manitoba's 8% rate will decline to 7% on July 1, 2023.

Payroll tax rates

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

		Rate	Total payroll	Payroll tax
Manitoba	Health and Post-Secondary Education Tax	2.15%	Over $2,500,000	Payroll x 2.15%
		4.3%	$1,250,000 to $2,500,000	(Payroll – $1,250,000) x 4.3%
		0%	$0 to $1,250,000	$0
Newfoundland and Labrador	Health and Post-Secondary Education Tax	2%	Over $1,200,000	(Payroll – $1,200,000) x 2%
		0%	$0 to $1,200,000	$0
Northwest Territories	Payroll tax	2%	Over $0	Payroll x 2%
Nunavut	Payroll tax	2%	Over $0	Payroll x 2%
Ontario	Employer Health Tax	1.95%	Over $5,000,000	Payroll x 1.95%
		1.95%	$450,000 to $5,000,000	(Payroll – $450,000) x 1.95%
		0%	$0 to $450,000	$0
Quebec	Health Services Fund	4.26%	Over $5,000,000	Payroll x rate
		Reduced rates	$1,000,000 to $5,000,000	Payroll x rate
		2.7%	$0 to $1,000,000	Payroll x rate

In the Northwest Territories and Nunavut, payroll tax is paid by employees through payroll withholdings.

The $450,000 exemption will be indexed every five years. It is not available to private-sector employers with annual Ontario payrolls over $5 million.

The 2.7% rate:

- for small- and medium-sized enterprises (SMEs) in the primary and manufacturing sectors is 1.6%, starting 2015
- for SMEs in the service and construction sectors is 2.55% in 2017, 2.4% in 2018 and 2.25% after 2018

Reduced rates for employers with annual payrolls between $1 million and $5 million depend on both the calendar year and the employer's total payroll.

Every Quebec employer with a payroll exceeding $2 million ($1 million before 2015) must allot at least 1% of payroll to training, or contribute the shortfall to a provincial fund. In limited cases, corporations may be exempt from contributing to the Health Services Fund, and refunds may be made. Financial institutions (excluding insurers) may also be subject to a compensation tax on payroll. See page 28.

Employees, employers and the self-employed must contribute to the Quebec Parental Insurance Plan (QPIP) and individuals may be required to contribute to the Quebec Health contribution and the Health Services Fund. See pages 31 and 32.

Individuals and corporations

Retirement savings and profit sharing plans

For registered retirement savings plans (RRSPs), defined contribution registered pension plans (RPPs) and deferred profit sharing plans (DPSPs), the amount that can be contributed in a year is the lesser of:

- 18% of earned income for the previous year (for RRSPs) or of pensionable earnings for the current year (for RPPs and DPSPs)
- fixed-dollar limits

The table below outlines these limits. For example, for RRSPs, the $25,370 fixed-dollar limit applies in 2016 if earned income in 2015 (i.e. the previous year) exceeds $140,944 (because 18% of $140,944 is $25,370).

Different rules apply for defined benefit plans.

			Registered retirement savings plan (RRSP)		**Defined contribution registered pension plan (RPP)**		**Deferred profit sharing plan (DPSP)**	
Contribution limits	**% of earnings**		**18% of earned income for the previous year**		**18% of pensionable earnings for the year**			
	Dollar limits		Maximum contribution	Earned income (previous year)	Maximum contribution	Pensionable earnings (current year)	Maximum contribution	Pensionable earnings (current year)
		2014	$24,270	≥ $134,833	$24,930	≥ $138,500	$12,465	≥ $69,250
		2015	$24,930	≥ $138,500	$25,370	≥ $140,944	$12,685	≥ $70,472
		2016	$25,370	≥ $140,944	Indexed			
		2017						
	Limits apply to:		All contributions		Combined employer/employee contributions		Employer contributions	
	Reduced by:		Pension Adjustment (PA) for the previous year		DPSP contributions for the year (Terms of plan may impose lower limits)		Defined contribution RPP contributions for the year (Terms of plan and employer's profits may impose lower limits)	
	Increased by:		Unused contribution limits of previous years and pension adjustment reversals (PARs)		n/a			
	Stated in:		Previous year's Notice of Assessment		Documents provided by the employer or plan administrator			
Deadlines	Employer's contribution		n/a		120 days after employer's year end			
	Individual's contributions		60 days after the calendar year end (i.e. March 1, but February 29 for leap years; adjusted for deadlines that fall on weekends)		December 31		n/a	

DPSP amounts are half of defined contribution RPP amounts.

Employee contributions to DPSPs are not permitted.

Other factors, such as past service pension adjustments, may affect these limits and are not shown, nor are special rules that may apply to transfers and deceased taxpayers.

The PA reflects the value of benefits accruing to the individual for the year in a DPSP and/or an RPP, whether defined benefit or defined contribution.

A PAR may restore RRSP contribution room when a member withdraws from a defined benefit RPP and the amount received is less than the total PAs.

Go to contents

R&D tax credits

Federal SR&ED investment tax credit rates

The federal investment tax credit (ITC) and refund rates shown apply to current expenditures incurred in 2015.

Unused federal ITCs may reduce federal taxes payable for the previous three years and the next twenty.

		Investment tax credit (ITC) rate	Refund rate
Qualified SR&ED in Canada	Qualifying Canadian-Controlled Private Corporations (CCPCs)	**35%** of annual qualified expenditures up to threshold ($3 million or less) + **15%** of qualified expenditures not eligible for the 35% rate	**100%** of ITCs computed at the 35% rate + **40%** of ITCs computed at the 15% rate
	Other corporations	**15%**	n/a
	Individuals		**40%** of ITCs

Generally, a CCPC's $3 million expenditure limit in respect of the 35% credit is reduced by:

- $10 for every $1 by which its previous year's taxable income exceeded $500,000, up to $800,000
- $0.075 for every $1 of its previous year's taxable capital employed in Canada above $10 million, up to $50 million

Thresholds are on an associated basis.

The SR&ED ITC is also available for certain salaries or wages incurred in respect of SR&ED carried on outside Canada (limited to 10% of salaries and wages directly attributable to SR&ED carried on in Canada).

Provincial and territorial R&D tax credits

Only corporations are eligible for R&D tax credits, except in Newfoundland and Labrador, Quebec and Yukon, where individuals can also claim the credits.

		Rate	Refundable?	Carry-back	Carry-forward
Alberta		10%	Yes	n/a	
British Columbia	Qualifying CCPCs	10%	Yes	n/a	
	Other corporations	10%	No	3 years	10 years
Manitoba		20%	Yes/No	3 years	20 years
New Brunswick		15%	Yes	n/a	
Newfoundland and Labrador		15%	Yes	n/a	
Nova Scotia		15%	Yes	n/a	
Ontario	Innovation tax credit	10%	Yes	n/a	
	Business research institute tax credit	20%	Yes	n/a	
	R&D tax credit	4.5%	No	3 years	20 years
Quebec	R&D wage tax credit	14% to 30%	Yes	n/a	
	University R&D tax credit	14% to 30%	Yes	n/a	
	Private partnership precompetitive tax credit	14% to 30%	Yes	n/a	
	Tax credit on fees paid to a research consortium	14% to 30%	Yes	n/a	
Saskatchewan		10%	No	3 years	10 years
Yukon		15%	Yes	n/a	

In Ontario, corporations that have taxable income under $500,000 and taxable capital under $25 million can claim the innovation tax credit on up to $3 million of expenditures. Those with taxable income between $500,000 and $800,000 or taxable capital between $25 million and $50 million are eligible for a partial credit.[1] 100% of current expenditures and 40% of capital expenditures are eligible.

British Columbia's refundable tax credit is 10% of the lesser of eligible BC R&D expenditures and the federal expenditure limit (i.e. $3 million or less).

Alberta's maximum annual credit is $400,000.

Manitoba's credit is:

- fully refundable for certain eligible expenditures
- partially refundable for in-house R&D expenditures

20% of qualifying payments (up to $20 million annually on an associated basis) to an Ontario eligible research institute.

For all Quebec R&D tax credits:

- Quebec Canadian-controlled corporations with less than $50 million in assets can claim the 30% rate on up to $3 million of R&D wages and/or eligible R&D expenditures. For those with assets between $50 million and $75 million, the rate is gradually reduced to 14%. The rate is 14% for all other taxpayers (higher in certain cases).[1] See page 29.
- For taxation years beginning after December 2, 2014, relating to R&D expenditures generally incurred after December 2, 2014, an exclusion threshold ranging from $50,000 to $225,000 is introduced. See page 29.
- Higher rates applied before June 5, 2014.

A portion of payments to unrelated subcontractors may be eligible for these credits (50% for R&D wage; 80% for private partnership precompetitive).

For R&D expenditures incurred generally before December 3, 2014, the tax credit rates were 28%. See page 29. In some cases, the University R&D tax credit is available on 80% of payments to certain eligible entities (e.g. universities and public research centres).

Applies to all R&D expenditures incurred after March 31, 2015, and for corporations that are not qualifying CCPCs, to certain R&D expenditures incurred before then.

Yukon's rate is 20% on R&D expenditures made to the Yukon College.

For R&D expenditures incurred before April 1, 2015:

- qualifying CCPCs could claim a refundable tax credit equal to 15% of the lesser of eligible Saskatchewan R&D expenditures and the federal expenditure limit (i.e. $3 million or less)
- Saskatchewan's R&D tax credit rate was 15%

See page 30.

1. Ontario and Quebec thresholds are in respect of the previous year, on a worldwide associated basis.

Individuals and corporations

Land transfer tax and registration fees

The provinces and territories charge land transfer taxes and registration fees on the purchase of real property within their boundaries.

Some exemptions or refunds are available. Higher rates may apply to non-residents. Additional fees may be imposed (e.g. on the registration of the deed or mortgage).

Minimum of $60 in Nunavut and $100 in Northwest Territories.

In Ontario and Toronto, land transfer tax applies to registered and unregistered transfers, including dispositions of a beneficial interest in land.

		Calculation	Value used
Alberta		$50 + 0.02% of value	Value of property
British Columbia		1% of portion ≤ $200,000 + 2% of portion > $200,000	Fair market value of property
Manitoba		$85 + 0.5% of portion between $30,000 and $90,000 + 1% of portion between $90,000 and $150,000 + 1.5% of portion between $150,000 and $200,000 + 2% of portion > $200,000	
New Brunswick		$75 + 0.5% of value	Greater of assessed value and consideration for the transfer
Newfoundland and Labrador		$100 + 0.4% of portion > $500	Value of property
Northwest Territories **Nunavut**		0.15% of portion ≤ $1,000,000 + 0.1% of portion > $1,000,000	
Nova Scotia		$100 + Up to 1.5% (determined by municipality)	
Ontario	General	0.5% of portion ≤ $55,000 + 1% of portion between $55,000 and $250,000 + 1.5% of portion > $250,000	Value of consideration
	Family dwelling (one or two units)	As above + 0.5% of portion > $400,000	
Addition for Toronto	General	0.5% of portion ≤ $55,000 + 1% of portion between $55,000 and $400,000 + 1.5% of portion between $400,000 and $40 million + 1% of portion > $40 million	
	Family dwelling (one or two units)	As above + 0.5% of portion between $400,000 and $40 million + 1% of portion > $40 million	
Prince Edward Island	General	1% of value, if value > $30,000	Greater of assessed value and consideration for the transfer
	Non-residents and corporations	As above + 1% of value ($550 minimum) (Depends on land size and corporate ownership)	Purchase price
Quebec		0.5% of portion ≤ $50,000 + 1% of portion between $50,000 and $250,000 + 1.5% of portion > $250,000	Greatest of: • consideration furnished • consideration stipulated • fair market value of property
Addition for Montreal		0.5% of portion between $500,000 and $1 million + 1% of portion > $1 million	
Saskatchewan		0.3% ($25 minimum)	Value of property
Yukon		0.2% of portion ≤ $5,000 + 0.25% of portion between $5,000 and $10,000 + 0.175% of portion between $10,000 and $25,000 + 0.125% of portion > $25,000	

Individuals and corporations

Filing deadlines

Deadlines falling on holidays or weekends may be extended to the next business day.

In addition to income tax returns, individuals, trusts, corporations and partnerships may be subject to other filing requirements. Several are noted below. See page 6 for individual and trust income tax deadlines. For corporate income tax and financial institution capital tax deadlines, see pages 18 and 20, respectively.

Earlier deadlines apply to publicly traded trusts and publicly traded partnerships for posting information relating to T3s and T5013s to the CDS Innovations Inc. website.

		Jurisdiction or form	Filing deadline		Details and exceptions
Income reporting	Trusts	Federal, Quebec (T3 slip/relevé 16)	90 days after trust year end	If filer's business activity is discontinued, deadline is 30 days after discontinuance.	n/a
	Other	Federal, Quebec (T4/relevé 1, T5/relevé 3, etc.)	Last day of February		March 31 deadline for partnership information returns applies to partnerships with only individual members. Otherwise: • for partnerships with only corporate members: five months after end of fiscal period • for partnerships with both individual and corporate members: earlier of last day of March and five months after end of fiscal period • in all cases, if partnership discontinues, earlier of normal filing deadline and 90 days after discontinuance
Information returns	Tax shelter	Federal, Quebec			
	Partnership	Federal, Quebec (T5013/relevé 15)	Last day of March		
	Transactions with non-residents	Federal: NR4			For trusts, form NR4 is due 90 days after the trust's year end.
		Federal: T106 (transactions with non-arm's length parties)	Individuals: April 30 Corporations: 6 months after year end Trusts: 90 days after year end Partnerships (T106, T1135 and T1142 only): same as for partnership information return		For individuals, forms T106, T1135, T1141 and T1142 are due June 15 if the taxpayer or the taxpayer's spouse carried on a business in the year.
	Foreign property/trust	Federal: T1135 T1141 T1142			
		Federal: T1134	Individuals, corporations, trusts and partnerships:15 months after year end		n/a
Notice of objection		Federal, all provinces	90 days after mailing date of assessment or reassessment		In all jurisdictions, for an individual or a testamentary trust: the later of one year after the filing due date and 90 days after mailing date of the assessment or reassessment.

For taxation years beginning after 2014, taxpayers whose total cost of foreign property is less than $250,000 throughout the year can report the property using a simplified foreign asset reporting form.

Commencing 2016 taxation years, this exception will apply to a trust only if it is a graduated rate estate for the year.

Individuals and corporations

Prescribed interest rates – income, capital and payroll taxes

Penalties may also be imposed in certain cases.

Rates left blank were not available when *Tax facts and figures* was published.

Federal prescribed rates also apply to provincial/territorial personal and corporate income tax collected by the Canada Revenue Agency.

<table>
<tr><th rowspan="3">Compounding schedule</th><th rowspan="3" colspan="3"></th><th colspan="4">2014</th><th colspan="4">2015</th></tr>
<tr><th>Q1</th><th>Q2</th><th>Q3</th><th>Q4</th><th>Q1</th><th>Q2</th><th>Q3</th><th>Q4</th></tr>
<tr><th>Jan. - Mar.</th><th>Apr. - Jun.</th><th>Jul. - Sep.</th><th>Oct. - Dec.</th><th>Jan. - Mar.</th><th>Apr. - Jun.</th><th>Jul. - Sep.</th><th>Oct. - Dec.</th></tr>
<tr><td rowspan="7">Daily</td><td rowspan="5">Federal: Income tax, financial institutions capital tax, source deductions, CPP and EI</td><td colspan="2">Underpayments</td><td colspan="7">5%</td><td></td></tr>
<tr><td rowspan="2">Overpayments</td><td>Corporations</td><td colspan="7">1%</td><td></td></tr>
<tr><td>Other</td><td colspan="7">3%</td><td></td></tr>
<tr><td colspan="2">Taxable benefits</td><td colspan="7">1%</td><td></td></tr>
<tr><td colspan="2">Pertinent loans or indebtedness</td><td>4.94%</td><td>4.89%</td><td>4.93%</td><td>4.94%</td><td>4.89%</td><td>4.75%</td><td>4.61%</td><td></td></tr>
<tr><td rowspan="2" colspan="2">Alberta: Corporate income tax</td><td>Underpayments</td><td colspan="7">4.5%</td><td></td></tr>
<tr><td>Overpayments</td><td colspan="7">0.5%</td><td></td></tr>
<tr><td rowspan="4">Monthly</td><td rowspan="2" colspan="2">Manitoba: Financial institutions capital tax and Health and Post-Secondary Education Tax</td><td>Underpayments</td><td colspan="6">9%</td><td></td><td></td></tr>
<tr><td>Overpayments</td><td colspan="8">Manitoba does not pay interest on overpayments</td></tr>
<tr><td rowspan="2" colspan="2">New Brunswick: Financial institutions capital tax</td><td>Underpayments</td><td colspan="8">9.5% (0.7591% per month)</td></tr>
<tr><td>Overpayments</td><td colspan="8">New Brunswick does not pay interest on overpayments</td></tr>
<tr><td rowspan="2">Daily</td><td rowspan="4">Newfoundland and Labrador:</td><td rowspan="2">Financial institutions capital tax</td><td>Underpayments</td><td colspan="7">5%</td><td></td></tr>
<tr><td>Overpayments</td><td colspan="7">1%</td><td></td></tr>
<tr><td rowspan="2">Monthly</td><td rowspan="2">Health and Post-Secondary Education Tax</td><td>Underpayments</td><td colspan="6">7%</td><td></td><td></td></tr>
<tr><td>Overpayments</td><td colspan="6">3%</td><td></td><td></td></tr>
<tr><td rowspan="5">Daily</td><td rowspan="2" colspan="2">Nova Scotia: Financial institutions capital tax</td><td>Underpayments</td><td colspan="7">5%</td><td></td></tr>
<tr><td>Overpayments</td><td colspan="8">Nova Scotia does not pay interest on overpayments</td></tr>
<tr><td rowspan="3" colspan="2">Ontario: Employer Health Tax</td><td>Underpayments</td><td colspan="6">6%</td><td></td><td></td></tr>
<tr><td>Overpayments</td><td colspan="6">0%</td><td></td><td></td></tr>
<tr><td>Refunds from objection or appeal</td><td colspan="6">3%</td><td></td><td></td></tr>
<tr><td rowspan="3">Monthly</td><td rowspan="3" colspan="2">Prince Edward Island: Financial institutions capital tax</td><td>Underpayments</td><td colspan="8">19.56% (1.5% per month)</td></tr>
<tr><td>Overpayments</td><td colspan="8">Prince Edward Island does not pay interest on overpayments</td></tr>
<tr><td>Refunds from objection or appeal</td><td colspan="8">19.56% (1.5% per month)</td></tr>
<tr><td rowspan="3">Daily</td><td rowspan="3" colspan="2">Quebec: Corporate and personal income tax and Health Services Fund contributions</td><td>Underpayments</td><td colspan="6">6%</td><td></td><td></td></tr>
<tr><td>Overpayments</td><td colspan="2">1.25%</td><td colspan="4">1.4%</td><td></td><td></td></tr>
<tr><td>Taxable benefits</td><td colspan="7">1%</td><td></td></tr>
<tr><td rowspan="2">Not compounded</td><td rowspan="2" colspan="2">Saskatchewan: Financial institutions capital tax</td><td>Underpayments</td><td colspan="6">6%</td><td></td><td></td></tr>
<tr><td>Overpayments</td><td colspan="6">3%</td><td></td><td></td></tr>
</table>

International

US top individual income tax rates – federal and state combined (2015)

Combined state and federal rates generally apply to employment income and interest, among other things. These rates are shown on the right for the top four federal brackets, which are set out below.

	Top four federal taxable income ranges ($US)			
	Fourth	Third	Second	Top
Single	$90,750 to $189,300	$189,300 to $411,500	$411,500 to $413,200	Above $413,200
Married filing jointly	$151,200 to $230,450	$230,450 to $411,500	$411,500 to $464,850	Above $464,850
Federal marginal rate	28%	33%	35%	39.6%

The tables do not take into account:

- deductibility of state taxes for federal tax purposes, which will reduce the tax rates shown
- full or partial deductibility of federal taxes for state tax purposes, which may reduce the tax rates shown for Alabama, Iowa, Louisiana, Missouri, Montana and Oregon
- other taxes that may apply (e.g. alternative minimum taxes)
- special rates that apply:
  - to US citizens and green card holders (e.g. a 3.8% Net Investment Income Tax generally applies on capital gains, dividends, interest, rents and royalties, exceeding a threshold)
  - for certain types of income (e.g. capital gains and dividends)
  - in certain circumstances (e.g. to non-residents of a state who have income from that state)
- city or county income taxes
- marginal rates that apply under the status "married filing separately" or "head of household"

In Arizona, 32.54% applies to single filers, 32.24% to married joint filers.

In California:
- 44.3%, 46.3% and 51.9% apply to single filers, 42.3%, 44.3% and 50.9% to married joint filers
- the rate is:
  - 51.9% on incomes over $1 million up to $1,039,374 for married joint filers
  - 52.9% on incomes over $1 million for single filers and over $1,039,374 for married joint filers

In Connecticut, 39.7% and 41.7% apply to single filers, 39.5% and 41.5% to married joint filers.

In Hawaii, 38% applies to single filers, 36.25% to married joint filers.

In Massachusetts, the rates are 6.85% higher on short-term capital gains.

In Minnesota, 37.85% applies to single filers, 35.85% to married joint filers.

In New Hampshire, the rates are 5% higher on interest and dividends.

In New York, the rate is 48.42% on incomes over $1,062,650 for single filers and over $2,125,450 for married joint filers.

In Ohio, 32.91% applies to single filers, 33.33% to married joint filers.

In Oregon, 37.9% applies to single filers, 37% to married joint filers.

In Tennessee, the rates are 6% higher on interest and dividends.

	Combined federal and state rates (%)			
	Fourth	Third	Second	Top
Federal	28	33	35	39.6
Alabama	33	38	40	44.6
Alaska	28	33	35	39.6
Arizona	32.54 or 32.24	37.54	39.54	44.14
Arkansas	35	40	42	46.6
California	37.3	44.3 or 42.3	46.3 or 44.3	51.9 or 50.9
Colorado	32.63	37.63	39.63	44.23
Connecticut[1]	34	39.7 or 39.5	41.7 or 41.5	46.3
Delaware	34.6	39.6	41.6	46.2
Florida	28	33	35	39.6
Georgia	34	39	41	45.6
Hawaii	38 or 36.25	44	46	50.6
Idaho	35.4	40.4	42.4	47
Illinois	31.75	36.75	38.75	43.35
Indiana	31.3	36.3	38.3	42.9
Iowa	36.98	41.98	43.98	48.58
Kansas	32.6	37.6	39.6	44.2
Kentucky	34	39	41	45.6
Louisiana	34	39	41	45.6
Maine	35.95	40.95	42.95	47.55
Maryland	33.5	38.75	40.75	45.35
Massachusetts	33.15	38.15	40.15	44.75
Michigan	32.25	37.25	39.25	43.85
Minnesota	37.85 or 35.85	42.85	44.85	49.45
Mississippi	33	38	40	44.6
Missouri	34	39	41	45.6
Montana	34.9	39.9	41.9	46.5
Nebraska[1]	34.84	39.84	41.84	46.44
Nevada	28	33	35	39.6
New Hampshire	28	33	35	39.6
New Jersey	34.37	39.37	41.37	48.57
New Mexico	32.9	37.9	39.9	44.5
New York[1]	34.65	39.85	41.85	46.45
North Carolina	33.75	38.75	40.75	45.35
North Dakota	30.52	35.93	38.22	42.82
Ohio	32.91 or 33.33	38.33	40.33	44.93
Oklahoma	33.25	38.25	40.25	44.85
Oregon	37.9 or 37	42.9	44.9	49.5
Pennsylvania	31.07	36.07	38.07	42.67
Rhode Island	33.99	38.99	40.99	45.59
South Carolina	35	40	42	46.6
South Dakota	28	33	35	39.6
Tennessee	28	33	35	39.6
Texas	28	33	35	39.6
Utah	33	38	40	44.6
Vermont	35.8	41.8	43.95	48.55
Virginia	33.75	38.75	40.75	45.35
Washington	28	33	35	39.6
Washington D.C.	36.5	41.95	43.95	48.55
West Virginia	34.5	39.5	41.5	46.1
Wisconsin	34.27	40.65	42.65	47.25
Wyoming	28	33	35	39.6

1. In Connecticut, Nebraska and New York, the rates will be higher if certain thresholds are exceeded.

International

US estate, gift and generation-skipping transfer tax rates

A US estate tax, gift tax or generation-skipping transfer tax liability may arise for US citizens and Canadian residents, as follows:

Various deductions and adjustments are allowed in calculating the tax base for estate tax purposes.

	Circumstances	Estate tax imposed on	Gift tax imposed on
US citizens (residing in Canada or elsewhere)	Transfers: • on death • of property during lifetime	Fair market value (FMV) of taxpayer's worldwide assets at death.	FMV of gifts of all property regardless of where the property is located.
Canadian residents (who are not US citizens)	Individual: • dies owning US-situs assets (e.g. shares of US corporations, US real estate, US business assets), or • transfers real or tangible US-situs assets during lifetime	Taxpayer's US-situs assets at death. If FMV of worldwide assets < US$5.43 million (based on 2015 rates), there is no US estate tax on US assets due to the unified credit.	FMV of gifts of US real property and US-situs tangible personal property.

Generation-skipping transfer tax may apply in addition to estate or gift tax. A transfer is generation-skipping and subject to the US generation-skipping transfer tax if it is:

- subject to either gift or estate tax, and
- made to a person who is two or more generations younger than the donor (e.g. a grandchild)

Rates are additive. For example, tax on $14,000 would be $2,600 (i.e. [18% x $10,000] + [$4,000 x 20%]). For gift tax, apply the rates to the cumulative taxable lifetime transfers made (generally, based on the fair market value of the transferred property) and subtract the gift tax previously payable.

Canadian residents (who are not US citizens) can reduce their estate tax liability by claiming a unified credit equal to the greater of:
- US$13,000
- the amount of the unified credit (i.e. US$2,117,800 in 2015) given to a US citizen, pro-rated by the value of the individual's US assets divided by his or her worldwide assets

The unified credit is equal to the amount of tax that applies at the exemption level.

		2014	2015
Threshold	**$0**	18%	
	$10,000	20%	
	$20,000	22%	
	$40,000	24%	
	$60,000	26%	
	$80,000	28%	
	$100,000	30%	
	$150,000	32%	
	$250,000	34%	
	$500,000	37%	
	$750,000	39%	
	$1,000,000	40%	
Exemption (US$)	Estate tax Generation-skipping transfer tax Gift tax	$5,340,000	$5,430,000
Unified credit ($US)	Estate tax Generation-skipping transfer tax Gift tax	$2,081,800	$2,117,800

The gift tax unified credit is a lifetime exclusion. An annual exclusion of US$14,000 or US$147,000 to a non-US citizen spouse (US$145,000 in 2014) per donee also applies.

For 2014 and 2015, the total of the estate tax and gift tax exemption cannot exceed US$5,340,000 and US$5,430,000, respectively. Generation-skipping transfer tax has a separate US$5,430,000 (US$5,340,000 in 2014) exemption.

International

US corporate income tax rates – federal and state (2015)

Rates apply to income from the thresholds shown to the next threshold (or to all higher income if there is no higher threshold). The threshold refers to taxable income for federal purposes, and to taxable or net income, depending on the state.

Federal rates and brackets ($US)

		Threshold	Rate (%)
General		$100,000	39
		$335,000	34
		$10,000,000	35
		$15,000,000	38
		$18,333,333	35
Personal service		$0	35
Personal holding		$0	20
Accumulated earnings	Personal service	$150,000	20
	Other	$250,000	20

A deduction for domestic production activities reduces the effective tax rate on this income to 31.85%.

Additional tax applies to undistributed income.

May apply in addition to regular tax.

The tables do not take into account:

- lower rates (federally and in some states) that apply only to income below $100,000
- other taxes that may be imposed (e.g. minimum taxes, franchise taxes, capital taxes)
- special rates that may apply to certain types of corporations (e.g. S-Corporations, banks, insurance corporations) or on certain types of income (e.g. capital gains, income from domestic production activities; see above)
- city or county income taxes

State rates and brackets ($US)

In Connecticut, if annual gross revenues are at least $100 million, the rate is 9%.

For Indiana, the rate is 7% before July 1, 2015, and 6.5% after June 30, 2015.

		Threshold	Rate (%)
Alabama		$0	6.5
Alaska		$0	0
		$99,000	5
		$124,000	6
		$148,000	7
		$173,000	8
		$198,000	9
		$222,000	9.4
Arizona		$0	6
Arkansas		$100,000	6.5
California		$0	8.84
Colorado		$0	4.63
Connecticut		$0	7.5
Delaware		$0	8.7
Florida		$50,000	5.5
Georgia		$0	6
Hawaii		$100,000	6.4
Idaho		$0	7.4
Illinois	Personal property	$0	2.5
	General	$0	5.25
Indiana		$0	6.75
Iowa		$100,000	10
		$250,000	12
Kansas		$50,000	7
Kentucky		$100,000	6
Louisiana		$100,000	7
		$200,000	8
Maine		$75,000	8.33
		$250,000	8.93
Maryland		$0	8.25
Massachusetts		$0	8
Michigan		$0	6
Minnesota		$0	9.8
Mississippi		$10,000	5
Missouri		$0	6.25
Montana		$0	6.75
Nebraska		$100,000	7.81

In Michigan, a 6% corporate income tax replaced the Michigan Business Tax (MBT) on January 1, 2012. However, taxpayers with certificated or awarded credits can elect to continue to pay MBT until all credits are used or expired.

		Threshold	Rate (%)
Nevada		No income tax	
New Hampshire		$0	8.5
New Jersey		$0	9
New Mexico		$0	4.8
		$500,000	6.4
		$1,000,000	6.9
New York	Qualified manufacturers	No income tax	
	Small business (Net income ≤ $390,000)	$0	6.5
		$290,000	7.1
		$350,000	11.45
	Other	$0	7.1
North Carolina		$0	5
North Dakota		$50,000	4.53
Ohio		No income tax	
Oklahoma		$0	6
Oregon		$0	6.6
		$1,000,000	7.6
Pennsylvania		$0	9.99
Rhode Island		$0	7
South Carolina		$0	5
South Dakota		No income tax	
Tennessee		$0	6.5
Texas		No income tax	
Utah		$0	5
Vermont		$25,000	8.5
Virginia		$0	6
Washington		No income tax	
Washington D.C.		$0	9.4
West Virginia		$0	6.5
Wisconsin		$0	7.9
Wyoming		No income tax	

In Wisconsin, businesses with at least $4 million in annual gross receipts pay a 3% surcharge on their tax (maximum surcharge is $9,800).

In lieu of income tax, Ohio, Texas and Washington impose a gross receipts tax that applies on a business's gross income, regardless of whether the business has made a profit.

Go to contents

International

Canada's treaty withholding tax rates

This table summarizes treaty withholding tax rates (%) on payments arising in Canada. Rates in square brackets after an arrow are set out in a protocol, replacement treaty or new treaty that is signed, but not in force. To the left of the arrow are the rates that are being replaced, i.e. the rate or rates in the existing treaty or protocol or, if no treaty is in force, the 25% rate imposed by Canada. If two or more dividend rates are provided, the lower (lowest two for Vietnam) applies if the recipient is a company that owns or controls a specified interest of the payor.

	Dividends	Related-party interest[3]	Royalties[4]
Algeria	15	15	0 or 15
Argentina	10 or 15	12.5	3, 5, 10 or 15
Armenia	5 or 15	10	10
Australia N	5 or 15	10	10
Austria	5 or 15	10	0 or 10
Azerbaijan	10 or 15	10	5 or 10
Bangladesh	15	15	10
Barbados	15	15	0 or 10
Belgium	5 or 15	10	0 or 10
Brazil	15 or 25	15	15 or 25
Bulgaria	10 or 15[1]	10	0 or 10[1]
Cameroon	15	15	15
Chile[1]	10 or 15	15	15
China P.R. (not Hong Kong) N	10 or 15	10	10
Colombia, Rep. of	5 or 15	10	10[1]
Croatia	5 or 15	10	10
Cyprus	15	15	0 or 10
Czech Rep.	5 or 15	10	10
Denmark	5 or 15	10	0 or 10
Dominican Rep.	18	18	0 or 18
Ecuador	5 or 15	15	10 or 15[1]
Egypt	15	15	15
Estonia	5 or 15	10	10[1]
Finland	5 or 15	10	0 or 10
France	5 or 15	10	0 or 10
Gabon	15	10	10
Germany	5 or 15	10	0 or 10
Greece	5 or 15	10	0 or 10
Guyana	15	15	10
Hong Kong	5 or 15	10	10
Hungary	5 or 15	10	0 or 10

	Dividends	Related-party interest[3]	Royalties[4]
Iceland	5 or 15	10	0 or 10
India	15 or 25	15	10, 15 or 20
Indonesia	10 or 15	10	10
Ireland	5 or 15	10	0 or 10
Israel N	15	15	0 or 15
Italy	5 or 15	10	0, 5 or 10
Ivory Coast	15	15	10
Jamaica	15	15	10
Japan	5 or 15	10	10
Jordan	10 or 15	10	10
Kazakhstan	5 or 15	10	10[1]
Kenya	15 or 25[1]	15	15
Korea (South)	5 or 15	10	10
Kuwait	5 or 15	10	10
Kyrgyzstan	15[1]	15[1]	0 or 10
Latvia	5 or 15	10	10[1]
Lebanon	25 → [5 or 15]	25 → [10]	25 → [5 or 10]
Lithuania	5 or 15	10	10[1]
Luxembourg	5 or 15	10	0 or 10
Madagascar N	25% imposed by Canada		
Malaysia N	15	15	15
Malta	15	15	0 or 10
Mexico	5 or 15	10	0 or 10
Moldova	5 or 15	10	10
Mongolia	5 or 15	10	5 or 10
Morocco	15	15	5 or 10
Namibia	25 → [5 or 15]	25 → [10]	25 → [0 or 10]
Netherlands N	5 or 15	10	0 or 10
New Zealand[5]	5 or 15	10	5 or 10
Nigeria	12.5 or 15	12.5	12.5
Norway	5 or 15	10	0 or 10
Oman	5 or 15	10[1]	0 or 10

	Dividends	Related-party interest[3]	Royalties[4]
Pakistan	15	15	0 or 15
Papua New Guinea	15	10	10
Peru	10 or 15	15	15
Philippines	15	15	10
Poland	5 or 15	10	5 or 10
Portugal	10 or 15	10	10
Romania	5 or 15	10	5 or 10
Russia	10 or 15	10	0 or 10
Senegal	15	15	15
Serbia	5 or 15	10	10
Singapore	15	15	15
Slovak Republic	5 or 15	10	0 or 10
Slovenia	5 or 15	10	10
South Africa	5 or 15	10	6 or 10
Spain	15 → [5 or 15]	15 → [10]	0 or 10
Sri Lanka	15	15	0 or 10
Sweden	5 or 15	10	0 or 10
Switzerland	5 or 15	10	0 or 10
Tanzania	20 or 25	15	20
Thailand	15	15	5 or 15
Trinidad and Tobago	5 or 15	10	0 or 10
Tunisia	15	15	0, 15 or 20
Turkey	15 or 20	15	10
Ukraine	5 or 15	10	0 or 10
United Arab Emirates	5 or 15	10	0 or 10
United Kingdom	5 or 15	10	0 or 10
United States[2]	5 or 15	0	0 or 10
Uzbekistan	5 or 15	10	5 or 10
Venezuela	10 or 15[1]	10	5 or 10
Vietnam	5, 10 or 15	10	7.5 or 10
Zambia	15	15	15
Zimbabwe	10 or 15	15	10

N Negotiation or renegotiation of tax treaty or protocol underway, or concluded (but not signed).

1. If the other state (Canada for treaty with Oman) concludes a treaty with another country providing for a lower rate (higher for Kenya), the lower rate (higher for Kenya) will apply in respect of specific payments or with limits, in some cases.
2. For the United States, the reduced treaty rates apply subject to the Limitation on Benefits article.
3. Canadian withholding tax does not apply to interest (except for "participating debt interest") paid or credited to arm's length non-residents.
4. A nil royalty rate generally applies to:
   - copyright royalties and payments for a literary, dramatic, musical or other artistic work (but not royalties for motion picture films or works on film or videotape or other means of reproduction for use in television)
   - royalties for computer software or a patent, or for information concerning industrial, commercial or scientific experience (but not royalties for a rental or franchise agreement) or for broadcasting
5. For New Zealand, the rates shown apply after July 31, 2015. Before August 1, 2015, the rates are 15%.

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