

Corporation tax rates

Federal rates

The basic rate of Part I tax is 38% of your taxable income, 28% after federal tax abatement.

For Canadian-controlled private corporations claiming the small business deduction, the net tax rate is:

- 12% before January 1, 2008
- 11% effective January 1, 2008

For the other corporations, the net tax rate will decrease as such:

- 21% before January 1, 2008
- 19.5% effective January 1, 2008
- 19% effective January 1, 2009
- 18% effective January 1, 2010
- 16.5% effective January 1, 2011
- 15% effective January 1, 2012

Provincial or territorial rates

Generally, provinces and territories have two rates of income tax - a lower rate and a higher rate.

Lower rate

The lower rate applies to either:

- the income eligible for the federal small business deduction; or
- the income based on limits established by the particular province or territory.

Higher rate

The higher rate applies to all other taxable income.

<http://www.cra-arc.gc.ca/tax/business/topics/corporations/rates-e.html>