Corporate investment income tax rates* – 2026

Includes all rate changes announced up to January 15, 2026

	Investment income earned by Canadian-controlled private corporations (CCPCs) and substantive CCPCs[1] (%)		Investment income earned by other corporations (%)	
Federal	38.67[2,3]		15.00[4]	
	Provincial/ territorial rates:	Combined federal and provincial/ territorial rates:	Provincial/ territorial rates:	Combined federal and provincial/ territorial rates:
Newfoundland and Labrador	15.00	53.67	15.00	30.00
Prince Edward Island[5]	15.00	53.67	15.00	30.00
Nova Scotia	14.00	52.67	14.00	29.00
New Brunswick	14.00	52.67	14.00	29.00
Quebec	11.50	50.17	11.50	26.50
Ontario	11.50	50.17	11.50	26.50
Manitoba	12.00	50.67	12.00	27.00
Saskatchewan	12.00	50.67	12.00	27.00
Alberta	8.00	46.67	8.00	23.00
British Columbia	12.00	50.67	12.00	27.00
Northwest Territories	11.50	50.17	11.50	26.50
Nunavut	12.00	50.67	12.00	27.00
Yukon	12.00	50.67	12.00	27.00

*Rates represent calendar-year rates unless indicated otherwise.

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Notes:

1. For taxation years ending on or after April 7, 2022, the tax treatment of investment income earned by a CCPC has been extended to apply to investment income earned by a substantive CCPC. A substantive CCPC is defined as a private corporation (other than a CCPC) that is controlled, directly or indirectly in any manner whatever, by one or more Canadian resident individuals, or would, if all shares held by Canadian resident individuals were owned by a particular individual, be controlled by that particular individual.
2. For taxation years ending after 2015, the refundable additional Part I tax on investment income earned by a CCPC is 10.67%. For taxation years ending on or after April 7, 2022, this tax also applies to investment income earned by a substantive CCPC. The resulting federal rate applicable to investment income earned by a CCPC or substantive CCPC is 38.67%. The additional refundable tax as well as a portion of the regular Part I tax paid on the investment income is refundable to the CCPC or substantive CCPC as follows: 30.67% of the investment income is added to the corporation's non-eligible refundable dividend tax on hand account (or a CCPC's refundable dividend tax on hand (RDTOH) account for taxation years beginning before 2019) and is refundable at a rate of 38.33% of taxable dividends paid. The 13.00% federal general rate reduction does not apply to investment income earned by a CCPC or substantive CCPC.
3. In June 2018, the government enacted changes to the RDTOH regime that limit the circumstances in which the payment of eligible dividends triggers a dividend refund, effective for taxation years beginning after 2018, subject to transitional rules. Under these rules, eligible dividends may be paid only out of a private corporation's eligible refundable dividend tax on hand account.
4. The federal general rate reduction of 13.00% applies to the base federal rate of 28.00% for active business income not eligible for other incentives, as well as to investment income earned by a corporation other than a CCPC or substantive CCPC.
5. The Prince Edward Island general corporate income tax rate was reduced from 16.00% to 15.00%, effective July 1, 2025.