

OVERVIEW OF 2012 CORPORATE TAX RATES

Overview of 2012 Federal Corporate Tax Rates

	CCPC Active Business Income Eligible up to \$500K	CCPC Aggregate Investment Income (All)	General Rate for all other income
Basic	38%	38%	38%
Provincial Abatement	(10)	(10)	(10)
Small Business Deduction	(17)		
Manufacturing & Processing (M&P) Deduction or General Rate Reduction			(13)
Additional Refundable Tax		6.67	
Total Federal Part I Tax	11%	34.67%	15%
Refundable Part I Tax		(26.67)	
Federal Tax after Dividend Refund	11%	8%	15%

Overview of 2012 Provincial Corporate Tax Rates

	General Rates		Canadian Controlled Private Corporations			
			ABI earned in Canada Up to 500K		Aggregate Investment income	
	Provincial	Combined	Provincial	Combined	Provincial	Combined
Alberta	10	25	3	14	10	44.67
British Columbia	10	25	2.5	13.5	10	44.67
Manitoba (note 1)	12	27	0 or 12 ⁽¹⁾	11 or 23 ⁽¹⁾	12	46.67
New Brunswick	10	25	4.5	15.5	10	44.67
Newfoundland and Labrador	14	29	4	15	14	48.67
Northwest Territories	11.5	26.5	4	15	11.5	46.17
Nova Scotia (note 2)	16	31	4.5 or 16 ⁽²⁾	15.5 or 27 ⁽²⁾	16	50.67
Nunavut	12	27	4	15	12	46.67
Ontario	11.5	26.5	4.5	15.5	11.5	46.17
PEI	16	31	1	12	16	50.67
Quebec	11.9	26.9	8	19	11.9	46.57
Saskatchewan	12	27	2	13	12	46.67
Yukon	15	30	4	15	15	49.67
Average	12.5%	27.5%	3.5%	14.5%	12.5%	47.1%

Note 1

In Manitoba, the first \$400K of Active Business Income is taxed @ 0%
Income above \$400K is taxed at 12%. Therefore a business with taxable income of \$500K will pay provincial taxes of \$12,000

Note 2

In Nova Scotia, the first \$400K of Active Business Income is taxed @ 4.5%
Income above \$400K is taxed at 16%