

Canadian-controlled Private Corporations (CCPCs)

	General Rate Business Income		SBD Eligible Income		Interest Income		Capital Gains	
	2022	2023	2022	2023	2022	2023	2022	2023
<b>CORPORATE TAX</b>								
Income or Capital Gain	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
Taxable Income	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$50.00	\$50.00
<b>Federal</b>								
Basic Rate 123(1)(a)	38.00%	38.00%	38.00%	38.00%	38.00%	38.00%	38.00%	38.00%
Less: Provincial Abatement 124(1)	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Less: General Rate Reduction 123.4(2)	13.00%	13.00%						
Less: Small Business Deduction 125(1)			19.00%	19.00%				
Plus: Refundable Tax 123.3					10.67%	10.67%	10.67%	10.67%
Federal Rate	15.00%	15.00%	9.00%	9.00%	38.67%	38.67%	38.67%	38.67%
Federal Tax Payable	\$15.00	\$15.00	\$9.00	\$9.00	\$38.67	\$38.67	\$19.33	\$19.33
<b>Alberta</b>								
Basic Rate Section 21(p) †	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Less: Small Business Deduction Section 22 †			6.00%	6.00%				
Alberta Rate	8.00%	8.00%	2.00%	2.00%	8.00%	8.00%	8.00%	8.00%
Alberta Tax Payable	\$8.00	\$8.00	\$2.00	\$2.00	\$8.00	\$8.00	\$4.00	\$4.00
Total Corporate Taxes	\$23.00	\$23.00	\$11.00	\$11.00	\$46.67	\$46.67	\$23.33	\$23.33
NERDTOH 129(4)					-\$30.67	-\$30.67	-\$15.33	-\$15.33
Net Corporate Taxes	\$23.00	\$23.00	\$11.00	\$11.00	\$16.00	\$16.00	\$8.00	\$8.00
Effective Corporate Tax Rate	23.00%	23.00%	11.00%	11.00%	16.00%	16.00%	8.00%	8.00%
Cash Available to Shareholder	\$77.00	\$77.00	\$89.00	\$89.00	\$84.00	\$84.00	\$92.00	\$92.00
<b>PERSONAL TAX</b>								
Dividends from Corporation	\$77.00	\$77.00	\$89.00	\$89.00	\$84.00	\$84.00	\$92.00	\$92.00
Less: Capital Dividends 83(2) and 89							\$50.00	\$50.00
Eligible Dividends 89 "GRIP" *	\$72.00	\$72.00						
Eligible Dividend Gross-Up 82(1)(b)(ii)	\$27.36	\$27.36						
Ineligible Dividends	\$5.00	\$5.00	\$89.00	\$89.00	\$84.00	\$84.00	\$42.00	\$42.00
Ineligible Dividend Gross-Up 82(1)(b)(i)	\$0.75	\$0.75	\$13.35	\$13.35	\$12.60	\$12.60	\$6.30	\$6.30
Taxable Income	\$105.11	\$105.11	\$102.35	\$102.35	\$96.60	\$96.60	\$48.30	\$48.30
<b>Federal</b>								
Federal Tax 117(2) ‡	\$34.69	\$34.69	\$33.78	\$33.78	\$31.88	\$31.88	\$15.94	\$15.94
Less: Eligible Dividend Tax Credit 121(b)	\$14.92	\$14.92						
Less: Ineligible Dividend Tax Credit 121(a)	\$0.52	\$0.52	\$9.24	\$9.24	\$8.72	\$8.72	\$4.36	\$4.36
Federal Tax Payable**	\$19.24	\$19.24	\$24.53	\$24.53	\$23.15	\$23.15	\$11.58	\$11.58
<b>Alberta</b>								
Alberta Tax Section 6.1(1) †	\$15.77	\$15.77	\$15.35	\$15.35	\$14.49	\$14.49	\$7.25	\$7.25
Eligible Dividend Tax Credit APITA 21	\$8.07	\$8.07						
Ineligible Dividend Tax Credit APITA 21 †	\$0.13	\$0.13	\$2.24	\$2.24	\$2.11	\$2.11	\$1.05	\$1.05
Alberta Tax Payable	\$7.58	\$7.58	\$13.12	\$13.12	\$12.38	\$12.38	\$6.19	\$6.19
Total Personal Taxes	\$26.82	\$26.82	\$37.65	\$37.65	\$35.54	\$35.54	\$17.77	\$17.77
Effective Personal Tax Rate	34.31%	34.31%	42.30%	42.30%	42.30%	42.30%	19.31%	19.31%
Effective Personal Tax Rate (GRIP Restricted) #	34.83%	34.83%						
<b>TOTAL TAXES</b>								
Combined Corporate and Personal Taxes	\$49.82	\$49.82	\$48.65	\$48.65	\$51.54	\$51.54	\$25.77	\$25.77
<b>DEFERRAL BENEFIT (COST)</b>								
Personal Taxes if not incorporated	\$48.00	\$48.00	\$48.00	\$48.00	\$48.00	\$48.00	\$24.00	\$24.00
Total Taxes if pay dividends	\$49.82	\$49.82	\$48.65	\$48.65	\$51.54	\$51.54	\$25.77	\$25.77
Benefit (cost) of incorporation if distributed in same taxation year	-\$1.82	-\$1.82	-\$0.65	-\$0.65	-\$3.54	-\$3.54	-\$1.77	-\$1.77
Deferral (prepayment) if retained - compared with earned personally	\$25.00	\$25.00	\$37.00	\$37.00	\$1.33	\$1.33	\$0.67	\$0.67
Deferral (prepayment) if retained - compared with fully distributed	\$26.82	\$26.82	\$37.65	\$37.65	\$4.87	\$4.87	\$2.43	\$2.43

12.58%

† Alberta's general corporate rate decreased from 12% to 11% effective July 1, 2019; then to 10% on Jan 1, 2020. On July 1, 2020 the rate was further reduced to 8%.

\* This is assuming the corporation has sufficient GRIP (for CCPC) or no LRIP (for non-CCPC). For CCPC, the general rate factor is 72%, so if the CCPC's sole business income is the \$100, the GRIP pool and thus the eligible dividend would be limited to \$72 and the remainder an non-eligible dividend.

‡ Assumes the top marginal rate. To clarify, for taxable income greater than \$341,502.00 (federal tax rate is less than 33% on taxable income below \$235,675; the Alberta tax rate shown in this table applies to taxable income greater than \$341,502.00; tax brackets used are 2023 figures and will be adjusted for inflation for subsequent years)

^ Budget 2022 introduced the "substantive CCPC" legislation for tax years ending subsequent to April 7, 2022, where a non-CCPC private corporation controlled directly or indirectly by Canadian resident individual(s) is essentially deemed to be a CCPC. The calculations in this section only apply to "true" non-substantive CCPC's for 2022 and subsequent years.

# This assumes a blended amount of eligible and non-eligible dividends payable to the shareholder on \$100 of pre-tax corporate taxable income. As net corporate cash exceeds the rate at which eligible dividends can be paid out due to the general rate factor of 0.72, a portion of dividends will be non-eligible.

(Integration Table (updated Sept 16, 2022) - 3)  
Note that these calculations do not take into consideration potential Alternative Minimum Tax.