

Canadian-controlled Private Corporations (CCPCs)

Non-CCPCs

	General Rate Business Income			SBD Eligible Income***			Interest Income ^a			Capital Gains ^a			General Rate Income (including on investment income; for capital gain eligible for CDA if private)		
	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
CORPORATE TAX															
Income or Capital Gain	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$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	\$100.00	\$100.00	\$100.00	\$50.00	\$50.00	\$50.00	\$100.00	\$100.00	\$100.00
Federal															
Basic Rate 123(1)(a)	38.00%	38.00%	38.00%	38.00%	38.00%	38.00%	38.00%	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%	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%	13.00%										13.00%	13.00%	13.00%
Less: Small Business Deduction 125(1) [■]				18.00%	19.00%	19.00%									
Plus: Refundable Tax 123.3							10.67%	10.67%	10.67%	10.67%	10.67%	10.67%			
Federal Rate	15.00%	15.00%	15.00%	10.00%	9.00%	9.00%	38.67%	38.67%	38.67%	38.67%	38.67%	38.67%	15.00%	15.00%	15.00%
Federal Tax Payable	\$15.00	\$15.00	\$15.00	\$10.00	\$9.00	\$9.00	\$38.67	\$38.67	\$38.67	\$19.33	\$19.33	\$19.33	\$15.00	\$15.00	\$15.00
Alberta															
Basic Rate Section 21(p) [†]	12.00%	11.50%	10.00%	12.00%	11.50%	10.00%	12.00%	11.50%	10.00%	12.00%	11.50%	10.00%	12.00%	11.50%	10.00%
Less: Small Business Deduction Section 22 [†]				10.00%	9.50%	8.00%									
Alberta Rate	12.00%	11.50%	10.00%	2.00%	2.00%	2.00%	12.00%	11.50%	10.00%	12.00%	11.50%	10.00%	12.00%	11.50%	10.00%
Alberta Tax Payable	\$12.00	\$11.50	\$10.00	\$2.00	\$2.00	\$2.00	\$12.00	\$11.50	\$10.00	\$6.00	\$5.75	\$5.00	\$12.00	\$11.50	\$10.00
Total Corporate Taxes	\$27.00	\$26.50	\$25.00	\$12.00	\$11.00	\$11.00	\$50.67	\$50.17	\$48.67	\$25.33	\$25.08	\$24.33	\$27.00	\$26.50	\$25.00
NERDTH 129(4)							-\$30.67	-\$30.67	-\$30.67	-\$15.33	-\$15.33	-\$15.33			
Net Corporate Taxes	\$27.00	\$26.50	\$25.00	\$12.00	\$11.00	\$11.00	\$20.00	\$19.50	\$18.00	\$10.00	\$9.75	\$9.00	\$27.00	\$26.50	\$25.00
Effective Corporate Tax Rate	27.00%	26.50%	25.00%	12.00%	11.00%	11.00%	20.00%	19.50%	18.00%	10.00%	9.75%	9.00%	27.00%	26.50%	25.00%
Cash Available to Shareholder	\$73.00	\$73.50	\$75.00	\$88.00	\$89.00	\$89.00	\$80.00	\$80.50	\$82.00	\$90.00	\$90.25	\$91.00	\$73.00	\$73.50	\$75.00
PERSONAL TAX															
Dividends from Corporation	\$73.00	\$73.50	\$75.00	\$88.00	\$89.00	\$89.00	\$80.00	\$80.50	\$82.00	\$90.00	\$90.25	\$91.00	\$73.00	\$73.50	\$75.00
Less: Capital Dividends 83(2) and 89										\$50.00	\$50.00	\$50.00			
Eligible Dividends 89 "GRIP" [*]	\$73.00	\$73.50	\$75.00										\$73.00	\$73.50	\$75.00
Eligible Dividend Gross-Up 82(1)(b)(ii)	\$27.74	\$27.93	\$28.50										\$27.74	\$27.93	\$28.50
Ineligible Dividends				\$88.00	\$89.00	\$89.00	\$80.00	\$80.50	\$82.00	\$40.00	\$40.25	\$41.00			
Ineligible Dividend Gross-Up 82(1)(b)(i) [■]				\$14.08	\$13.35	\$13.35	\$12.80	\$12.08	\$12.30	\$6.40	\$6.04	\$6.15			
Taxable Income	\$100.74	\$101.43	\$103.50	\$102.08	\$102.35	\$102.35	\$92.80	\$92.58	\$94.30	\$46.40	\$46.29	\$47.15	\$100.74	\$101.43	\$103.50
Federal															
Federal Tax 117(2) [‡]	\$33.24	\$33.47	\$34.16	\$33.69	\$33.78	\$33.78	\$30.62	\$30.55	\$31.12	\$15.31	\$15.27	\$15.56	\$33.24	\$33.47	\$34.16
Less: Eligible Dividend Tax Credit 121(b)	\$15.13	\$15.23	\$15.55										\$15.13	\$15.23	\$15.55
Less: Ineligible Dividend Tax Credit 121(a) [■]				\$10.24	\$9.24	\$9.24	\$9.31	\$8.36	\$8.52	\$4.65	\$4.18	\$4.26			
Federal Tax Payable**	\$18.11	\$18.24	\$18.61	\$23.45	\$24.53	\$24.53	\$21.31	\$22.19	\$22.60	\$10.66	\$11.10	\$11.30	\$18.11	\$18.24	\$18.61
Alberta															
Alberta Tax Section 6.1(1) [‡]	\$15.11	\$15.21	\$15.53	\$15.31	\$15.35	\$15.35	\$13.92	\$13.89	\$14.15	\$6.96	\$6.94	\$7.07	\$15.11	\$15.21	\$15.53
Eligible Dividend Tax Credit APITA 21	\$10.07	\$10.14	\$10.35										\$10.07	\$10.14	\$10.35
Ineligible Dividend Tax Credit APITA 21 [†]				\$2.21	\$2.24	\$2.24	\$2.01	\$2.02	\$2.06	\$1.00	\$1.01	\$1.03			
Alberta Tax Payable	\$5.04	\$5.07	\$5.18	\$13.10	\$13.12	\$13.12	\$11.91	\$11.86	\$12.09	\$5.96	\$5.93	\$6.04	\$5.04	\$5.07	\$5.18
Total Personal Taxes	\$23.15	\$23.31	\$23.78	\$36.55	\$37.65	\$37.65	\$33.23	\$34.05	\$34.69	\$16.61	\$17.03	\$17.34	\$23.15	\$23.31	\$23.78
Effective Personal Tax Rate	31.71%	31.71%	31.71%	41.53%	42.30%	42.30%	41.53%	42.30%	42.30%	18.46%	18.87%	19.06%	31.71%	31.71%	31.71%
TOTAL TAXES															
Combined Corporate and Personal Taxes	\$50.15	\$49.81	\$48.78	\$48.55	\$48.65	\$48.65	\$53.23	\$53.55	\$52.69	\$26.61	\$26.78	\$26.34	\$50.15	\$49.81	\$48.78
DEFERRAL BENEFIT (COST)															
Personal Taxes if not incorporated	\$48.00	\$48.00	\$48.00	\$48.00	\$48.00	\$48.00	\$48.00	\$48.00	\$48.00	\$24.00	\$24.00	\$24.00	\$48.00	\$48.00	\$48.00
Total Taxes if pay dividends	\$50.15	\$49.81	\$48.78	\$48.55	\$48.65	\$48.65	\$53.23	\$53.55	\$52.69	\$26.61	\$26.78	\$26.34	\$50.15	\$49.81	\$48.78
Benefit (cost) of incorporation if distributed in same taxation year	-\$2.15	-\$1.81	-\$0.78	-\$0.55	-\$0.65	-\$0.65	-\$5.23	-\$5.55	-\$4.69	-\$2.61	-\$2.78	-\$2.34	-\$2.15	-\$1.81	-\$0.78
Deferral (prepayment) if retained - compared with earned personally	\$21.00	\$21.50	\$23.00	\$36.00	\$37.00	\$37.00	-\$2.67	-\$2.17	-\$0.67	-\$1.33	-\$1.08	-\$0.33	\$21.00	\$21.50	\$23.00
Deferral (prepayment) if retained - compared with fully distributed	\$23.15	\$23.31	\$23.78	\$36.55	\$37.65	\$37.65	\$2.56	\$3.39	\$4.02	\$1.28	\$1.69	\$2.01	\$23.15	\$23.31	\$23.78

The taxation of non-eligible dividends will be adjusted to reflect the lower small business tax rate in order to maintain integration of corporate and personal taxes. (17% rate in 82(1)(b)(i) and 21/29 in 121(a) will be adjusted to preserve integration when lower rates take effect in 2018 a)

[†] Alberta's general corporate rate decrease from 12% to 11% effective July 1, 2019; then to 10% on Jan 1, 2020. Subsequently, it will decrease to 9% in 2021 and 8% in 2022.

^{*} 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.

[‡] For taxable income greater than \$300,000.00 (federal tax rate is less than 33% on taxable income below \$200,000 and is based on federal Bill C-2; the Alberta tax rate shown in this table applies to taxable income greater than \$300,000.00; tax brackets used are 2016 figures and will be adjusted for inflation for subsequent years.)

Note that these calculations do not take into consideration potential Alternative Minimum Tax.