

MOTOR VEHICLES — TAXABLE BENEFIT — 2025

Personal use of a company vehicle is considered a twofold taxable benefit that is calculated as follows:

	PURCHASED VEHICLE	LEASED VEHICLE
1. Standby charge ¹	2% x original cost x No. of months	% leasing cost x No. of months
2. Operating costs	\$0.34 x No. of km for personal use or 50% of item #1 ¹	\$0.34 x No. of km for personal use or 50% of item #1 ¹

1 The standby charge decreases if the automobile is used for business purposes more than 50% of the time and if the number of kilometres travelled for personal reasons is less than 1,667 km for each 30-day period.

The taxable benefit must also take into account GST, QST and deductions at source.

	DEDUCTION LIMIT
Capital cost for CCA purposes - Cat 10.1	\$38,000 + taxes
Capital cost for CCA purposes - Cat 54	\$61,000 + taxes ¹
Monthly leasing costs	\$1,100 + taxes ²
Maximum allowable monthly interest	\$350

1 Category 54 is for zero-emission passenger cars. To register a vehicle in Class 54, the taxpayer must not have qualified for the federal subsidy for zero-emission vehicles.
2 Another limit based on a mathematical formula involving the suggested price can definitely have the effect of restricting the limit below the \$1,100 threshold.

Employer's maximum deductible allowance for kilometres travelled by an employee and exempt from taxes as it can be considered reasonable:

- \$0.76/km on first 5,000 km
- \$0.70/km for every additional km

TAX RATES FOR CANADIAN-CONTROLLED PRIVATE CORPORATIONS — 2025¹

	FEDERAL	QUEBEC	TOTAL
Active business income			
Eligible for federal SBD only ^{2,3}	9%	11.5%	20.5%
Eligible for SBD ^{2,3,4} - Compliance with hours worked criterion	9%	3.2%	12.2%
Eligible for SBD ^{2,3} - SME manufacturing	9%	3.2%	12.2%
Not eligible for SBD	15%	11.5%	26.5%
Inactive business income			
Personal services business	33%	11.5%	44.5%
Investment income	38.67%	11.5%	50.17%
Refundable portion	30.67%	N/A	30.67%
Dividend income			
From an unconnected corporation	38½%	N/A	38½%

1 Rates indicated in the table are based on a 12-month taxation year ending December 31, 2025.

2 The small business deduction of \$500,000 must be allocated among the associated corporations and reduced gradually if the taxable or paid-up capital for the previous calendar year is between \$10 million and \$50 million or if the total adjusted investment income for each taxation year ending in the previous calendar year is between \$50,000 and \$150,000.

3 Excluding dividend income.

4 In Quebec, the small business deduction is gradually reduced for actively operated businesses, other than SMEs in the primary or manufacturing sector, if the number of hours paid for the current or previous tax year is between 5,000 hours and 5,500 hours.

BUDGET CHANGES — 2025

FEDERAL

- No budget has been announced for the 2025-2026 fiscal year as of the date of printing of this document.

QUEBEC

- Establishment of a new tax assistance regime promoting scientific research and experimental development (R&D) activities.
- Modernization of tax credits for the development of electronic business (CDAE).
- Introduction of a new reporting requirement for foreign assets held outside Canada.



TAX QUICK REFERENCE

CERTIFICATION

CORPORATE AND PERSONAL TAXATION

BUSINESS SUCCESSION PLANNING

BUSINESS ACQUISITIONS, SALES AND MERGERS

BUSINESS VALUATION



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2025

TAX TABLE FOR INDIVIDUALS (QUEBEC) — 2025

This quick reference is intended to provide general information relevant to the 2025 tax year. Individuals requiring further information in order to make an informed tax-related decision are encouraged to seek the advice of a tax professional.

TAXABLE INCOME	FEDERAL INCOME TAX ¹	MARGINAL RATE ²	QUÉBEC INCOME TAX	MARGINAL RATE ²	COMBINED TAX	COMBINED MARGINAL RATE ²	MARGINAL RATES ^{2,3}		MARGINAL RATE CAPITAL GAINS ²
							ELIGIBLE DIVIDENDS	OTHER DIVIDENDS	
\$	\$	%	\$	%	\$	%	%	%	%
16,129	—	12.11	—	—	—	12.11	—	5.25	6.05
18,571	296	12.11	—	14.00	296	26.11	3.17	17.42	13.05
20,000	469	12.11	200	14.00	669	26.11	3.17	17.42	13.05
25,000	1,074	12.11	900	14.00	1,974	26.11	3.17	17.42	13.05
30,000	1,679	12.11	1,600	14.00	3,279	26.11	3.17	17.42	13.05
35,000	2,285	12.11	2,300	14.00	4,585	26.11	3.17	17.42	13.05
40,000	2,890	12.11	3,000	14.00	5,890	26.11	3.17	17.42	13.05
50,000	4,101	12.11	4,400	14.00	8,501	26.11	3.17	17.42	13.05
53,255	4,495	12.11	4,856	19.00	9,351	31.11	10.07	23.17	15.55
57,375	4,994	17.12	5,639	19.00	10,632	36.12	16.39	28.93	18.06
60,000	5,443	17.12	6,137	19.00	11,581	36.12	16.39	28.93	18.06
70,000	7,155	17.12	8,037	19.00	15,192	36.12	16.39	28.93	18.06
80,000	8,867	17.12	9,937	19.00	18,804	36.12	16.39	28.93	18.06
95,000	11,434	17.12	12,787	19.00	24,222	36.12	16.39	28.93	18.06
106,495	13,402	17.12	14,971	24.00	28,373	41.12	23.29	34.68	20.56
114,750	14,815	21.71	16,953	24.00	31,768	45.71	29.63	39.96	22.86
129,590	18,037	21.71	20,514	25.75	38,551	47.46	32.04	41.97	23.73
140,000	20,297	21.71	23,195	25.75	43,492	47.46	32.04	41.97	23.73
177,882	28,521	24.47	32,949	25.75	61,470	50.22	35.86	45.16	25.11
200,000	33,933	24.47	38,645	25.75	72,578	50.22	35.86	45.16	25.11
253,414	47,004	27.56	52,399	25.75	99,403	53.31	40.11	48.70	26.65
500,000	114,950	27.56	115,895	25.75	230,845	53.31	40.11	48.70	35.54

N.B.: Income tax is computed for a single individual with no dependants. This table takes into account both the federal and Quebec basic personal exemption. This table should not be used to compute tax if the taxpayer has income from dividends only (unless a separate, distinct computation is made for this type of income). The income tax rate indicated for dividends in the first taxable income brackets only applies fully in cases where there are taxes otherwise payable by the individual.

- 1 The federal tax rate takes into account the Notice of Ways and Means filed on May 27, 2025.
- 2 The marginal rate corresponds to the income tax rate applicable to each additional dollar of income.
- 3 **Eligible dividends:** Dividends paid by a public company and any other corporation from business income that is not eligible for the small business deduction (SBD).
Other dividends: Dividends paid out by a Canadian-controlled private corporation (CCPC) from business income that is eligible for the SBD and dividends paid out from investment income (interest, taxable capital gains, other income from property, but not dividends).

INDIVIDUALS RECEIVING ONLY DIVIDEND INCOME — 2025

GROSS-UP AND CREDIT RATES	FEDERAL	QUEBEC
Eligible dividends		
Dividend gross-up	38%	38%
Dividend tax credit	15.02%	11.70%
Other dividends		
Dividend gross-up	15%	15%
Dividend tax credit	9.03%	3.42%

If this is the taxpayer's only source of income, an individual not eligible for any deduction or credit other than the basic amount may receive a dividend without having to pay any tax if the revenue does not exceed the following thresholds (amount before gross-up):

	FEDERAL	QUEBEC
Eligible dividends	\$76,443	\$52,240
Other dividends	\$37,179	\$21,369

RRSP, TFSA AND RPP CONTRIBUTION LIMITS

	2025	2026
RPP ¹	\$33,810	Indexed
TFSA (cumulative 2025 — \$102,000)	\$7,000	TBD
RRSP	\$32,490	\$33,810
Income limit ²	\$180,500	\$187,833

- 1 Defined benefits.
- 2 This is the maximum earned income from the previous year used for calculating the RRSP limit.

CAPITAL GAINS EXEMPTION — 2025

- Eligible Small Business Corporation Shares and Farm Property
- \$1,250,000¹

- 1 Indexed annually from 2026.

PERSONAL TAX CREDITS — 2025

	FEDERAL (15%) ¹	QUEBEC (14%) ¹
Basic	\$14,538 /\$16,129 ²	\$18,571
Person living alone	N/A	\$2,128
Spouse or eligible dependant	\$14,538 /\$16,129 ²	N/A
Dependent child:		
■ 18 years or older at school	N/A	\$13,658 ³
■ Canada caregiver credit for children under 18 years of age	\$2,687	N/A
■ Additional amount for infirm person under 18 years of age	\$5,914 ⁴	N/A
■ Post-secondary studies (by term, minors)	N/A	\$3,823
■ Single-parent family	N/A	\$2,627 ⁵
■ Children's activities (refundable credit) (per child under 16 years available to families whose income does not exceed \$168,470)	N/A	\$500
Other dependant aged 18 or older	N/A	\$5,570
Age amount	\$9,028	\$3,906
Retirement income amount	\$2,000	\$3,470
Disability amount	\$10,138 ⁶	\$4,123
Caregiver (refundable provincial credit)	\$8,601	\$2,988 ⁷
■ Net income threshold	\$20,197	\$26,520
Canada Employment Credit/Deduction for Workers	\$1,471 ⁸	\$1,420 ⁹
First-Time Home Buyers' Tax Credit	\$10,000	\$10,000
1 Depending on income, the amounts of certain credits may be reduced.		
2 The amount of the basic credit is \$14,538 for individuals whose net income for the year is greater than or equal to the amount from which the 33% rate applies and it is \$16,129 for individuals whose net income for the year is less than or equal to the amount from which the 29% tax rate applies.		
3 The amount includes the recognized parental contribution and two postsecondary study sessions.		
4 This credit is reduced by the childcare or attendant expenses claimed.		
5 For single-parent families who lived with an eligible student.		
6 This credit can be transferred to a person who provided for the basic needs of the dependent.		
7 An amount of \$1,494 is not reducible based on income.		
8 Lesser of \$1,471 and the individual's employment income for the year.		
9 Deduction of the lesser of \$1,420 or 6% of employment income.		
	FEDERAL	QUEBEC
Professional and union dues	Deduction	10% tax credit
Contribution to the FSS (The income subject to tax is net business income, investment income, pension income, taxable capital gains, etc.)	N/A	\$0 to \$18,130 = no contribution required \$18,130 to \$33,130 = 1% of taxable income \$33,130 to \$63,060 = \$150 \$63,060 to \$148,060 = \$150 + 1% of taxable income (max. \$1,000) \$148,060 and over = \$1,000
Medical expenses	15% of expenses in excess of the lesser of \$2,834 or 3% of net income of claimant	20% of expenses exceeding 3% of net family income
Charitable donations (amount of eligible donations is limited to 75% of net income)	15% on the first \$200 29% on the excess 33% on the portion that is subject to the highest marginal rate	20% on the first \$200 24% on the excess 25.75% on the portion that is subject to the highest marginal rate

PRESCRIBED INTEREST RATES — 2025

Trimester	FEDERAL			QUEBEC		
	1 st	2 nd	3 rd	1 st	2 nd	3 rd
Tax outstanding	8%	8%	7%	9%	8%	8%
Tax receivable (corporate/other)	4%/6%	4%/6%	3%/5%	3.50%	3.50%	3%
Taxable benefits and loan to a related person	4%	4%	3%	4%	4%	3%

DEDUCTIONS AT SOURCE — 2025

QUEBEC			
Quebec Pension Plan (QPP)			
Maximum allowable earnings			\$71,300
Basic exemption			\$3,500
Maximum contributory gains			\$67,800
Contribution rate (5.40% for the basic contribution + 1% for the first additional contribution)			6.40%
Maximum employee contribution			\$4,339.20
Maximum employer contribution (per employee)			\$4,339.20
Maximum contribution for a self-employed worker			\$8,678.40
Quebec Parental Insurance Plan (QPIP)			
Maximum insurable earnings			\$98,000
Employee contribution rate			0.494%
Self-employed worker contribution rate			0.878%
Employer contribution rate			0.692%
Maximum employee contribution			\$484.12
Maximum employer contribution (per employee) (employee contribution multiplied by 1.4)			\$678.16
Maximum contribution for a self-employed worker			\$860.44
Health Services Fund (HSF)			
Employer contribution rate:			
		SMEs in primary and manufacturing sectors	Other
Payroll			
≤ \$1,000,000	1.25%		1.65%
> \$1,000,000 and < \$7,800,000	0.8074% + [0.4426% x MS]		1.2662% + [0.3838% x MS]
≥ \$7,800,000	4.26%		4.26%
(P = Cumulative total payroll / \$1,000,000)			
The cumulative total payroll represents the total amount of wages paid by any associated employer, regardless of where the employer carries on its business.			
Workforce training (1%)			
Businesses with a payroll of more than \$2M are required to devote a minimum of 1% of their payroll to eligible training expenses.			
FEDERAL			
Employment insurance			
Maximum insurable earnings			\$65,700
Employee contribution rate			1.31%
Maximum employee contribution			\$860.67
Maximum employer contribution (per employee) (employee contribution multiplied by 1.4)			\$1,204.94