

TAX RATES FOR CANADIAN-CONTROLLED PRIVATE CORPORATIONS - 2016¹

| | FEDERAL | QUEBEC | TOTAL |
|---|--------------------|--------|--------------------|
| ACTIVE BUSINESS INCOME | | | |
| Eligible for SBD ² | 10.5% | 8% | 18.5% |
| Eligible for SBD ² – SME manufacturing | 10.5% | 4% | 14.5% |
| Not eligible for SBD | 15% | 11.9% | 26.9% |
| INACTIVE BUSINESS INCOME | | | |
| Personal services business | 33% | 11.9% | 44.9% |
| Investment income ³ | 38.67% | 11.9% | 50.57% |
| Refundable portion | 30.67% | s.o. | 30.67% |
| DIVIDEND INCOME | | | |
| From an unconnected corporation | 38 $\frac{1}{3}$ % | s.o. | 38 $\frac{1}{3}$ % |

¹ Rates indicated in the table are based on a 12-month taxation year ending December 31, 2016.

² The small business deduction of \$500,000 must be prorated among associated corporations and gradually decreases if the paid-up capital from the previous year is between \$10M and \$15M.

³ Excluding dividend income.

LIMITATION

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