MOTOR VEHICLES — TAXABLE BENEFIT — 2026

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	⅔ 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	$39,000 + 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:

- $0.73/km on first 5,000 km
- $0.67/km for every additional km

TAX RATES FOR CANADIAN-CONTROLLED PRIVATE CORPORATIONS — 2026[1]

	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	38⅓%	N/A	38⅓%

1 Rates indicated in the table are based on a 12-month taxation year ending December 31, 2026.
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 — 2026

FEDERAL — November 4, 2025

- Reduction of the rate applicable to non-refundable tax credits to 14% for the 2026 tax year and subsequent tax years.
- Introduction of immediate expensing for manufacturing or processing buildings.
- Implementation of restrictions on tax deferral through corporate tiers.

QUEBEC — March 18, 2026

- Implementation of an automated income tax return filing process for certain low-income individuals.
- Adjustments to the tax credits for the development of e-businesses incorporating artificial intelligence (CDEAIA).
- On April 29, 2026, the Government of Quebec announced an increase in the small business deduction rate. Thus, the minimum tax rate applicable to income eligible for the DPE will be reduced to 2.2% for tax years beginning after April 29, 2026.



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TAX TABLE FOR INDIVIDUALS (QUEBEC) — 2026

This quick reference is intended to provide general information relevant to the 2026 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	MARGINAL RATE[1]	QUÉBEC INCOME TAX	MARGINAL RATE[1]	COMBINED TAX	COMBINED MARGINAL RATE[1]	MARGINAL RATES[1,2] ELIGIBLE DIVIDENDS	MARGINAL RATES[1,2] OTHER DIVIDENDS	MARGINAL RATE CAPITAL GAINS[1]
$	$	%	$	%	$	%	%	%	%
16,452	—	11.69	—	—	—	11.69	—	4.77	5.85
18,952	292	11.69	—	14.00	292	25.69	3.17	16.94	12.85
20,000	415	11.69	147	14.00	561	25.69	3.17	16.94	12.85
25,000	999	11.69	847	14.00	1,846	25.69	3.17	16.94	12.85
30,000	1,584	11.69	1,547	14.00	3,130	25.69	3.17	16.94	12.85
35,000	2,168	11.69	2,247	14.00	4,415	25.69	3.17	16.94	12.85
40,000	2,753	11.69	2,947	14.00	5,699	25.69	3.17	16.94	12.85
50,000	3,922	11.69	4,347	14.00	8,268	25.69	3.17	16.94	12.85
54,345	**4,430**	**12.11**	**4,955**	**19.00**	**9,385**	**30.69**	**10.07**	**22.69**	**15.35**
58,523	**4,918**	**17.12**	**5,749**	**19.00**	**10,667**	**36.12**	**16.39**	**28.93**	**18.06**
60,000	5,171	17.12	6,029	19.00	11,200	36.12	16.39	28.93	18.06
70,000	6,883	17.12	7,929	19.00	14,812	36.12	16.39	28.93	18.06
80,000	8,594	17.12	9,829	19.00	18,424	36.12	16.39	28.93	18.06
95,000	11,162	17.12	12,679	19.00	23,842	36.12	16.39	28.93	18.06
108,680	**13,504**	**17.12**	**15,279**	**24.00**	**28,782**	**41.12**	**23.29**	**34.68**	**20.56**
117,045	**14,936**	**21.71**	**17,286**	**24.00**	**32,222**	**45.71**	**29.63**	**39.96**	**22.86**
132,245	**18,236**	**21.71**	**20,934**	**25.75**	**39,170**	**47.46**	**32.04**	**41.97**	**23.73**
140,000	19,919	21.71	22,931	25.75	42,850	47.46	32.04	41.97	23.73
181,440	**28,916**	**24.46**	**33,602**	**25.75**	**62,518**	**50.21**	**35.84**	**45.14**	**25.11**
200,000	33,456	24.46	38,381	25.75	71,837	50.21	35.84	45.14	25.11
258,482	**47,761**	**27.56**	**53,440**	**25.75**	**101,202**	**53.31**	**40.11**	**48.70**	**26.65**
500,000	114,311	27.56	115,631	25.75	229,943	53.31	40.11	48.70	26.65

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 marginal rate corresponds to the income tax rate applicable to each additional dollar of income.
2 **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 — 2026

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	$80,755	$53,311
Other dividends	$40,300	$21,807

RRSP, TFSA AND RPP CONTRIBUTION LIMITS

	2026	2027
RPP[1]	$33,810	Indexed
TFSA (cumulative 2026 — $102,000)	$7,000	TBD
RRSP	$33,810	$35,390
Income limit[2]	$187,833	$196,611

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

CAPITAL GAINS EXEMPTION — 2026

▪ Eligible Small Business Corporation Shares and Farm Property	$1,275,000[1]

1 Indexed annually from 2026.

PERSONAL TAX CREDITS — 2026

	FEDERAL (14%)[1]	QUEBEC (14%)[1]
Basic	$14,829 /$16,452[2]	$18,952
Person living alone	N.A.	$2,681
Spouse or eligible dependant	$14,829 /$16,452[2]	N.A.
Dependent child:		
▪ 18 years or older at school	N.A.	$13,938[3]
▪ Canada caregiver credit for children under 18 years of age	$2,740	N.A.
▪ Additional amount for disabled children under 18 years of age	$6,032[4]	N.A.
▪ Post-secondary studies (by term, minors)	N.A.	$3,901
▪ Single-parent family	N.A.	$2,681[5]
▪ Children's activities (refundable credit) (per child under 16 years available to families whose income does not exceed $171,925)	N.A.	$500
Other dependant aged 18 or older	N.A.	$5,684
Age amount	$9,028	$3,986
Retirement income amount	$2,000	$3,541
Disability amount	$10,341[6]	$4,208
Caregiver (refundable provincial credit)	$8,773	$3,050[7]
▪ Net income threshold	$20,601	$27,065
Canada Employment Credit/Deduction for Workers	$1,501[8]	$1,450[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 $14,829 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 $16,452 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 $1,525 is not reducible based on income.
8 Lesser of $1,501 and the individual's employment income for the year.
9 Deduction of the lesser of $1,450 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 $18,500 = no contribution required $18,500 to $33,500 = 1% of taxable income $33,500 to $64,355 = $150 $64,355 to $149,355 = $150 + 1% of taxable income (max. $1,000) $149,355 and over = $1,000
Medical expenses	15% of expenses in excess of the lesser of $2,890 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)	14% 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 — 2026

	FEDERAL		QUEBEC	
Trimester	1st	2nd	1st	2nd
Tax outstanding	7%	7%	8%	7%
Tax receivable (corporate/other)	3%/5%	3%/5%	2.75%	2.75%
Taxable benefits and loan to a related person	3%	3%	3%	3%

DEDUCTIONS AT SOURCE — 2026

QUEBEC	
Quebec Pension Plan (QPP) — Part 1	
Maximum allowable earnings	$74,600
Basic exemption	$3,500
Maximum contributory gains	$71,100
Contribution rate (5.40% for the basic contribution + 1% for the first additional contribution)	6.30%
Maximum employee contribution	$4,479.30
Maximum employer contribution (per employee)	$4,479.30
Maximum contribution for a self-employed worker	$8,958.60
Quebec Pension Plan (QPP) — Part 2	
Maximum allowable earnings	$85,000
Basic exemption	$74,600
Maximum contributory gains	$10,400
Contribution rate (second additional contribution)	4.00%
Maximum employee contribution	$416.00
Maximum employer contribution (per employee)	$416.00
Maximum contribution for a self-employed worker	$832.00
Quebec Parental Insurance Plan (QPIP)	
Maximum insurable earnings	$103,000
Employee contribution rate	0.430%
Self-employed worker contribution rate	0.764%
Employer contribution rate	0.602%
Maximum employee contribution	$442.90
Maximum employer contribution (per employee) (employee contribution multiplied by 1.4)	$620.06
Maximum contribution for a self-employed worker	$786.92

Health Services Fund (HSF)

Employer contribution rate:

Payroll	SMEs in primary and manufacturing sectors	Other
≤ $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	$68,900
Employee contribution rate	1.30%
Maximum employee contribution	$895.70
Maximum employer contribution (per employee) (employee contribution multiplied by 1.4)	$1,253.98