

2023 combined corporate and personal tax rates

(effective from January to December 2023)



The following tables illustrate the 2023 corporate tax rates on income earned in a corporation, the corporate and personal combined tax rates if corporate income is distributed as a dividend and the personal tax rates if the income is earned personally (these tables assume that the shareholder is at the top marginal tax rate). For foreign investment income that is subject to non-resident withholding tax (e.g. U.S. dividends), we have assumed a non-resident withholding tax rate of 15%. If the foreign withholding tax rate is anything other than 15%, the results will be different. We have provided this integrated rate for illustration purposes only.

Province	If retained in the corporation	If distributed as a dividend	If earned personally	Savings (cost) of Incorporating
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ALBERTA

Canadian (CAD) Interest	46.67%	51.54%	48.00%	(3.54%)
Capital Gain	23.34%	25.77%	24.00%	(1.77%)
Foreign Income	46.67%	58.41%	48.00%	(10.41%)
CAD Eligible Dividends	38.33%	34.31%	34.31%	0%
CAD Ineligible Dividends	38.33%	42.31%	42.31%	0%

BRITISH COLUMBIA

Canadian (CAD) Interest	50.67%	59.11%	53.50%	(5.61%)
Capital Gain	25.34%	29.56%	26.75%	(2.81%)
Foreign Income	50.67%	65.19%	53.50%	(11.69%)
CAD Eligible Dividends	38.33%	36.54%	36.54%	0%
CAD Ineligible Dividends	38.33%	48.89%	48.89%	0%

MANITOBA

Canadian (CAD) Interest	50.67%	57.34%	50.40%	(6.94%)
Capital Gain	25.34%	28.67%	25.20%	(3.47%)
Foreign Income	50.67%	63.68%	50.40%	(13.28%)
CAD Eligible Dividends	38.33%	37.78%	37.78%	0%
CAD Ineligible Dividends	38.33%	46.67%	46.67%	0%

NEW BRUNSWICK

Canadian (CAD) Interest	52.67%	58.53%	52.50%	(6.03%)
Capital Gain	26.34%	29.26%	26.25%	(3.01%)
Foreign Income	52.67%	64.85%	52.50%	(12.35%)
CAD Eligible Dividends	38.33%	32.40%	32.40%	0%
CAD Ineligible Dividends	38.33%	46.83%	46.83%	0%

Note that the integrated rate may be higher or lower than the corporate rate because the dividend refund to the corporation is not equal to the personal tax payable on the dividend paid to the shareholder.

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NL & LABRADOR

Canadian (CAD) Interest	53.67%	60.70%	54.80%	(5.90%)
Capital Gain	26.84%	30.35%	27.40%	(2.95%)
Foreign Income	53.67%	66.77%	54.80%	(11.97%)
CAD Eligible Dividends	38.33%	46.20%	46.20%	0%
CAD Ineligible Dividends	38.33%	48.96%	48.96%	0%

NWT

Canadian (CAD) Interest	50.17%	49.14%	47.05%	(2.09%)
Capital Gain	25.09%	24.57%	23.53%	(1.05%)
Foreign Income	50.17%	56.66%	47.05%	(9.61%)
CAD Eligible Dividends	38.33%	28.33%	28.33%	0%
CAD Ineligible Dividends	38.33%	36.82%	36.82%	0%

NOVA SCOTIA

Canadian (CAD) Interest	52.67%	59.66%	54.00%	(5.66%)
Capital Gain	26.34%	29.83%	27.00%	(2.83%)
Foreign Income	52.67%	65.81%	54.00%	(11.81%)
CAD Eligible Dividends	38.33%	41.58%	41.58%	0%
CAD Ineligible Dividends	38.33%	48.28%	48.28%	0%

NUNAVUT

Canadian (CAD) Interest	50.67%	50.23%	44.50%	(5.73%)
Capital Gain	25.34%	25.12%	22.25%	(2.87%)
Foreign Income	50.67%	57.63%	44.50%	(13.13%)
CAD Eligible Dividends	38.33%	33.08%	33.08%	0%
CAD Ineligible Dividends	38.33%	37.79%	37.79%	0%

ONTARIO

Canadian (CAD) Interest	50.17%	57.93%	53.53%	(4.40%)
Capital Gain	25.09%	28.97%	26.77%	(2.19%)
Foreign Income	50.17%	64.15%	53.53%	(10.62%)
CAD Eligible Dividends	38.33%	39.34%	39.34%	0%
CAD Ineligible Dividends	38.33%	47.74%	47.74%	0%

PEI

Canadian (CAD) Interest	54.67%	59.76%	51.37%	(8.39%)
Capital Gain	27.34%	29.88%	25.69%	(4.19%)
Foreign Income	54.67%	66.06%	51.37%	(14.69%)
CAD Eligible Dividends	38.33%	34.22%	34.22%	0%
CAD Ineligible Dividends	38.33%	47.05%	47.05%	0%

Note that the integrated rate may be higher or lower than the corporate rate because the dividend refund to the corporation is not equal to the personal tax payable on the dividend paid to the shareholder.

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QUEBEC

Canadian (CAD) Interest	50.17%	58.71%	53.31%	(5.40%)
Capital Gain	25.09%	29.35%	26.65%	(2.70%)
Foreign Income	50.17%	64.81%	53.31%	(11.50%)
CAD Eligible Dividends	38.33%	40.11%	40.11%	0%
CAD Ineligible Dividends	38.33%	48.70%	48.70%	0%

SASKATCHEWAN

Canadian (CAD) Interest	50.67%	53.46%	47.50%	(5.96%)
Capital Gain	25.34%	26.73%	23.75%	(2.98%)
Foreign Income	50.67%	60.38%	47.50%	(12.88%)
CAD Eligible Dividends	38.33%	29.64%	29.64%	0%
CAD Ineligible Dividends	38.33%	41.82%	41.82%	0%

YUKON

Canadian (CAD) Interest	50.67%	55.23%	48.00%	(7.23%)
Capital Gain	25.34%	27.62%	24.00%	(3.62%)
Foreign Income	50.67%	61.89%	48.00%	(13.89%)
CAD Eligible Dividends	38.33%	28.93%	28.93%	0%
CAD Ineligible Dividends	38.33%	44.04%	44.04%	0%

Note that the integrated rate may be higher or lower than the corporate rate because the dividend refund to the corporation is not equal to the personal tax payable on the dividend paid to the shareholder.

Sources: Federal and provincial/territorial income tax legislation and legislative proposals, January 2023. RBC Wealth Management Services. Calculations are done in accordance with federal and provincial/territorial legislation and legislative proposals.

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