

INTERPROVINCIAL TAX RATE COMPARISON

2011 Interprovincial Comparison of Tax Rates

Shows rates applicable on December 31, 2011. Data as of April 1, 2011

	BC	AB	SK	MB	ON
Personal Income Tax					
Top Marginal Rate (%) ¹	14.70	10.00	15.00	17.40	17.41
Health Care Premiums (\$) ²	1,452	---	---	---	0 to 900
Health and Education Levy (%) ³	---	---	---	2.15	1.95
Corporation Income Tax (%)					
Small ⁴	2.50	3.00	2.00	0.00	4.50
Large ⁵	10.00	10.00	12.00	12.00	11.50
Manufacturing	10.00	10.00	10.00	12.00	10.00
Small business threshold (\$000)	500	500	500	400	500
Capital Tax (%)	---	---	---	---	---
Banks	---	---	3.25	3.00	---
Small financial institutions ⁶	---	---	.70	---	---
Sales Tax (%)	7.0	---	5.0	7.0	8.0
Gasoline Tax (¢/l) ⁷	18.95	9.0	15.0	11.5	14.7
Diesel Fuel Tax (¢/l) ⁸	20.11	9.0	15.0	11.5	14.3
Tobacco Tax (¢/cigarette) ⁹	18.50	20.00	21.00	22.50	12.35
Corporation Income Tax Credits					
Manufacturing (%)	---	---	5.00	10.00	---
Research & Development (%)	10.00	10.00	15.00	20.00	15.00

2011 Interprovincial Comparison of Tax Rates (continued)

	QC	NB	NS	PE	NL
Personal Income Tax					
Top Marginal Rate (%) ¹	19.22	14.30	19.25	18.37	14.50
Health Care Premiums (\$) ²	0 to 1,400	---	---	---	---
Health and Education Levy (%) ³	4.26	---	---	---	2.00
Corporation Income Tax (%)					
Small ⁴	8.00	5.00	4.50	1.00	4.00
Large ⁵	11.90	10.00	16.00	16.00	14.00
Manufacturing	11.90	11.00	16.00	16.00	5.00
Small business threshold (\$000)	500	500	400	500	500
Capital Tax (%)	---	---	0.05	---	---
Banks	---	3.00	4.00	5.00	4.00
Small financial institutions ⁶	---	---	---	---	---
Sales Tax (%)	8.5	8.0	10.0	10.0	8.0
Gasoline Tax (¢/l) ⁷	17.2	13.6	15.5	15.8	16.5
Diesel Fuel Tax (¢/l) ⁸	17.2	19.2	15.4	20.2	16.5
Tobacco Tax (¢/cigarette) ⁹	10.60	17.00	21.52	22.45	19.00
Corporation Income Tax Credits					
Manufacturing (%)	5.00	---	---	10.00	---
Research & Development (%)	---	15.00	15.00	---	15.00

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- (1) Top marginal provincial rates include surtaxes.
- (2) The premium for BC is the family rate. ON calculates premiums based on taxable income: for incomes of \$20,000 or less the premium is zero and the maximum premium of \$900 is reached at an income of \$200,600. QC calculates premiums for the Prescription Drug Plan on net income: maximum \$600 for a single person and \$1,200 for a family. The QC health contribution is income tested and the 2011 maximum per adult is \$100.
- (3) MB exempts firms with payrolls of less than \$1.25 million. ON exempts firms with payrolls of less than \$400,000. QC has graduated rates for firms with payrolls under \$5 million. NL exempts firms with payrolls of less than \$1 million.
- (4) SK rate is reduced to 2.0% effective July 1, 2011 and NB rate will be reduced to 4.5% on January 1, 2012.
- (5) NB large rate is reduced to 10% on July 1, 2011 and the ON large rate is reduced to 11.5% on July 1, 2011.
- (6) SK has a reduced tax rate for small financial institutions with less than \$1.5 billion in taxable paid-up capital. MB exempts small financial institutions with less than \$4 billion in taxable paid-up capital.
- (7) Provincial gasoline taxes are fixed rates per litre. PE includes both a variable (maximum of 8.7¢/l) and a fixed (7.1¢/l) tax. BC's fuel tax on gasoline is 14.5¢/l and a 4.45¢/l carbon tax also applies for a total tax of 18.95¢/l. In Vancouver and Victoria, a local levy is also imposed. The total tax rate is 27.95¢/l in Vancouver and the total tax rate is 22.45¢/l in Victoria. QC imposes a carbon tax of 0.8¢/l on petroleum companies (it is assumed the tax is passed on to consumers). ON, QC, NB, NS and NL levy provincial sales tax on the pump price.
- (8) Provincial diesel fuel taxes are fixed rates per litre. PE includes both a variable (maximum of 8.7¢/l) and a fixed (11.5¢/l) tax. BC's fuel tax on diesel is 15¢/l but a 5.11¢/l carbon tax also applies for a total tax of 20.11¢/l. In Vancouver and Victoria, a local levy is also imposed. The total tax rate is 29.11¢/l in Vancouver and the total tax rate is 23.61¢/l in Victoria. Montréal has an additional levy of 3.0¢/l for a total tax of 20.2¢/l. QC imposes a carbon tax of 0.8¢/l on petroleum companies (it is assumed the tax is passed on to consumers). ON, QC, NB, NS and NL levy provincial sales tax on the pump price.
- (9) Provincial sales tax applies to tobacco products in all provinces except AB, PE and QC.