



RICHTER
BUSINESS | FAMILY OFFICE

TAX



ONTARIO INCOME TAX TABLES

CONTENT CURRENT
AS OF APRIL 14, 2026

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2026 CORPORATE TAX RATES ^(a)

Investment Income CCPC ^(c)

	First \$500,000 for Qualifying Business ^(b)	Basic Business & Other	Basic M&P Business	Other than Capital Gains	Capital Gains
Ontario	11.70% ^(e)	26.50%	25.00%	50.17%	25.09%
Quebec	12.20% ^(d)	26.50%	26.50%	50.17%	25.09%
Alberta	11.00%	23.00%	23.00%	46.67%	23.34%
British Columbia	11.00%	27.00%	27.00%	50.67%	25.34%
Manitoba	9.00%	27.00%	27.00%	50.67%	25.34%
New Brunswick	11.50%	29.00%	29.00%	52.67%	26.34%
Newfoundland & Labrador	11.50%	30.00%	30.00%	53.67%	26.84%
Nova Scotia	10.50% ^(f)	29.00%	29.00%	52.67%	26.34%
Prince Edward Island	10.00% ^(g)	30.00%	30.00%	53.67%	26.84%
Saskatchewan	10.00% ^(h)	27.00%	25.00%	50.67%	25.34%
Federal	9.00% ⁽ⁱ⁾	15.00%	15.00%	38.67%	19.34%

- (a) Assumes a December year end.
- (b) Preferential rate reduced for corporations having taxable capital in excess of \$10M on an associated group basis.
- (c) For a CCPC, the tax rate on investment income, net of dividend refund, is 30.67% lower.
- (d) Employees of the corporation, or of an associated corporation, must work and be remunerated for 5,500 hours for the current and previous taxation year or be a corporation in the primary or manufacturing sector.
- (e) For corporations with less than 5,000 remunerated hours, the rate is 20.5%.
- (f) Effective July 1, 2026, the Ontario small business income tax rate will decrease from 3.2% to 2.2%.
- (g) Effective April 1, 2025, the Nova Scotia small business limit was increased from \$500,000 to \$700,000.
- (h) Effective July 1, 2025, the Prince Edward Island small business limit was increased from \$500,000 to \$600,000.
- (i) Effective January 1, 2018, the Saskatchewan small-business limit was increased from \$500,000 to \$600,000.
- (j) The federal corporate income tax rates for manufacturers of qualifying zero-emission technology are reduced to 7.5% for eligible income otherwise subject to the 15% federal general corporate income tax rate or 4.5% for eligible income otherwise subject to the 9% federal small-business corporate income tax rate. The reduced tax rate has been extended and will gradually phase out for taxation years beginning 2032 and will be fully phased out for taxation years beginning after 2034.

2026 COMBINED TOP PERSONAL TAX RATES

	Income	Eligible Dividends	Ineligible Dividends	Capital Gains
Ontario	53.53%	39.34%	47.74%	26.76%
Quebec	53.31%	40.11%	48.70%	26.65%
Alberta	48.00%	34.31%	42.31%	24.00%
British Columbia	53.50%	36.54%	48.89%	26.75%
Manitoba	50.40%	37.78%	46.67%	25.20%
New Brunswick	52.50%	32.40%	46.83%	26.25%
Newfoundland & Labrador	54.80%	46.20%	48.96%	27.40%
Nova Scotia	54.00%	41.58%	49.99%	27.00%
Prince Edward Island	52.00%	36.54%	47.92%	26.00%
Saskatchewan	47.50%	29.64%	41.34%	23.75%

2026 SELECT U.S. TAX RATES

	Personal ^{(a), (d), (e)}			Corporate ^(a)
	Income	Long-Term Capital Gains	Qualified Dividends	Business Income ^(b)
California	50.30%	33.30%	33.30%	27.98%
Florida	37.00%	20.00%	20.00%	25.35%
New York ^(c)	47.90%	30.90%	30.90%	26.73%
U.S. Estate Tax – Top Marginal Rate:		40.00%		
U.S. Estate Tax Exemption:		\$15,000,000 USD		

- (a) All rates are effective at time of publication.
- (b) Highest marginal general tax rate, net of federal deduction for state taxes (corporate only).
- (c) New York state tax rate does not include New York City taxes.
- (d) The above rates do not include Medicare and Social Security taxes.
- (e) For United States residents, an additional 3.8% tax is imposed on investment income when the income exceeds \$200,000 USD if the taxpayer is not married, \$125,000 USD if married filing separately, or \$250,000 USD if married filing jointly.

2026 PERSONAL TAX RATES ^{(a), (b)}

Ontario Residents

Ontario		Federal		Combined					
Taxable Income	Tax	Marginal Rate on Excess	Tax	Marginal Rate on Excess	Tax	Marginal Rate on Excess	Eligible Dividends Actual	Ineligible Dividends Actual	Capital Gains
\$12,989	\$0	5.05%	\$0	14.00%	\$0	19.05%	0.00%	8.09%	9.53%
\$53,891	\$2,066	9.15%	\$5,241	14.00%	\$7,307	23.15%	0.00%	12.80%	11.58%
\$58,523	\$2,489	9.15%	\$5,890	20.50%	\$8,379	29.65%	6.39%	20.28%	14.83%
\$94,907	\$5,819	10.98%	\$13,349	20.50%	\$19,167	31.48%	8.92%	22.38%	15.74%
\$107,785	\$7,233	13.39%	\$15,989	20.50%	\$23,221	33.89%	12.24%	25.16%	16.95%
\$111,814	\$7,772	17.41%	\$16,815	20.50%	\$24,587	37.91%	17.79%	29.78%	18.95%
\$117,045	\$8,683	17.41%	\$17,887	26.00%	\$26,570	43.41%	25.38%	36.10%	21.70%
\$150,000	\$14,420	18.97%	\$26,455	26.00%	\$40,875	44.97%	27.53%	37.90%	22.48%
\$181,440	\$20,384	18.97%	\$34,630	29.29%	\$55,014	48.26%	32.08%	41.69%	24.13%
\$220,000	\$27,699	20.53%	\$45,926	29.29%	\$73,625	49.82%	34.23%	43.48%	24.91%
\$258,482	\$35,600	20.53%	\$57,201	33.00%	\$92,802	53.53%	39.34%	47.74%	26.76%

- (a) Assumes single taxpayer with no dependent receiving basic exemption only.
- (b) Does not include the Ontario Health Premium.

SELECT PERSONAL TAX CREDITS FOR 2026

Combined Federal and Provincial

	Spouse	65 and over	Pension	Donation	Medical
Ontario	\$2,860	\$1,609 ^(a)	\$371	50.41% ^(b)	19.05% ^(c)

(a) Maximum credit that is gradually reduced when income exceeds \$46,432 in 2026 for federal purposes and \$47,210 in 2026 for Ontario purposes.
 (b) Applies to donations in excess of \$200 for individual with taxable income above \$258,482.
 (c) Applies to medical expenses in excess of the lesser of 3% of net income and \$2,890 for federal purposes and the lessers of 3% of net income and \$2,940 in 2026 for Ontario purposes.

2026 INVESTMENT YIELDS ^(a)

An Interest Rate of	Tax	An Eligible Dividend	An Ineligible Dividend	A Capital Gain
4%	Gives	3.06%	3.56%	2.54%
6%	the same	4.60%	5.34%	3.81%
8%	after-tax	6.13%	7.11%	5.08%
10%	as	7.66%	8.89%	6.35%

(a) Analysis based on 53.53% marginal rate for an Ontario taxpayer.

SALARY VS. DIVIDEND Comparison of Net Cash Retained by Shareholders ^(a)

Ontario Resident 53.53% Marginal Rate	Salary ^(b)	Dividend
First \$500,000 Qualifying Business	\$456	\$461 ^{(c), (d)}
Basic Business	\$456	\$446
Basic M&P Business	\$456	\$455
Investment Income CCPC	\$456	\$421 ^{(d), (e)}
Other Income	\$456	\$446

(a) Assumes corporation has \$1,000 of income available for disbursement to owner/manager.
 (b) Only takes into account Employer Health Tax paid by corporation at top rate of 1.95%.
 (c) Factors in a blended tax rate resulting from proposed 2026 Ontario budget changes (combined rates of 12.2% for first six months of 2026 and 11.2% for last six months of 2026).
 (d) Assumes dividends paid are ineligible.
 (e) Net of dividend refund.

INCOME THAT CAN BE RECEIVED TAX-FREE Ontario Resident ^(a)

Interest	\$16,452
Capital Gain	\$32,904
Eligible Dividend	\$80,755 ^(a)
Ineligible Dividend	\$40,027 ^(a)

(a) Excludes Ontario health premium payable (\$450 in respect of the maximum ineligible dividend noted above and \$750 in respect of the maximum eligible dividend noted above).

SALES TAX RATES IN CANADA 2026

Province	GST Rate ^(a)	HST Rate ^(b)	PST Rate ^(c)	Total
Ontario	-	13.00%	-	13.00%
Quebec	5.00%	-	9.975% ^(d)	14.975%
Alberta	5.00%	-	-	5.00%
British Columbia	5.00%	-	7.00%	12.00%
Manitoba	5.00%	-	7.00%	12.00%
New Brunswick	-	15.00%	-	15.00%
Newfoundland & Labrador	-	15.00%	-	15.00%
Nova Scotia	-	14.00%	-	14.00%
Prince Edward Island	-	15.00%	-	15.00%
Saskatchewan	5.00%	-	6.00%	11.00%

(a) GST: Goods and Services Tax
 (b) HST: Harmonized Sales Tax
 (c) PST: Provincial Sales Tax
 (d) GST: Quebec Sales Tax