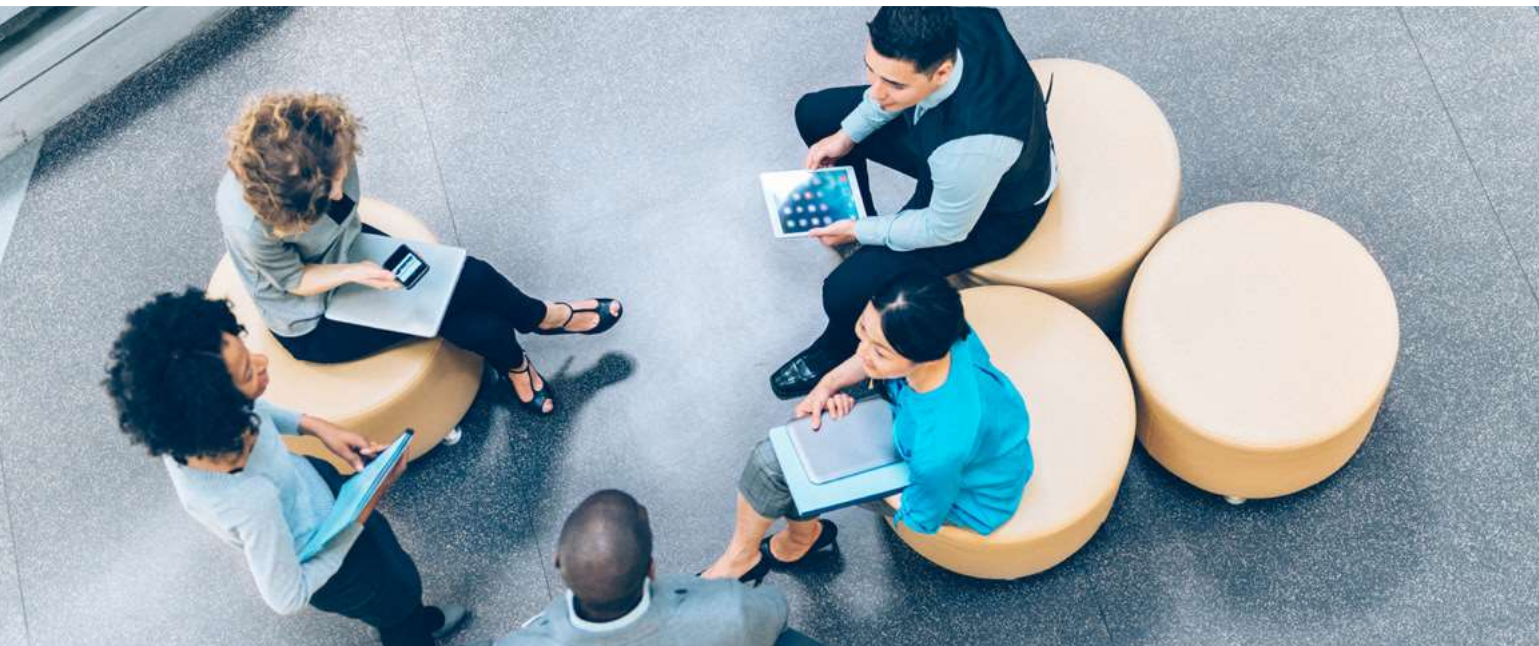


Tax Facts and Figures

Canada 2023

Canadian individual and corporate tax changes, tax rates, tax deadlines and a wide range of other valuable tax information



Key 2023 income tax rates – individuals and corporations

Applies to taxable income above \$235,675 in all jurisdictions except:

- \$341,502 in Alberta
- \$240,716 in British Columbia
- \$1,059,000 in Newfoundland and Labrador
- \$500,000 in Yukon

Individuals (page 5)

| | Top combined marginal rates | | | |
|----------------------------------|------------------------------|---------------|--------------------|--------------|
| | Ordinary income and interest | Capital gains | Canadian dividends | |
| | | | Eligible | Non-eligible |
| Federal | 33.00% | 16.50% | 24.81% | 27.57% |
| Alberta | 48.00% | 24.00% | 34.31% | 42.31% |
| British Columbia | 53.50% | 26.75% | 36.54% | 48.89% |
| Manitoba | 50.40% | 25.20% | 37.78% | 46.67% |
| New Brunswick | 52.50% | 26.25% | 32.40% | 46.83% |
| Newfoundland and Labrador | 54.80% | 27.40% | 46.20% | 48.96% |
| Northwest Territories | 47.05% | 23.53% | 28.33% | 36.82% |
| Nova Scotia | 54.00% | 27.00% | 41.58% | 48.28% |
| Nunavut | 44.50% | 22.25% | 33.08% | 37.79% |
| Ontario | 53.53% | 26.76% | 39.34% | 47.74% |
| Prince Edward Island | 51.37% | 25.69% | 34.22% | 47.05% |
| Quebec | 53.31% | 26.65% | 40.11% | 48.70% |
| Saskatchewan | 47.50% | 23.75% | 29.64% | 41.82% |
| Yukon | 48.00% | 24.00% | 28.93% | 44.04% |

Corporations (page 18)

| | Combined rates | | |
|----------------|-----------------|--|-------------------|
| | General and M&P | Canadian-Controlled Private Corporations (CCPCs) | |
| | | Active business income to \$500,000 | Investment income |
| | 15% | 9% | 38.67% |
| | 23% | 11% | 46.67% |
| | 27% | 11% | 50.67% |
| | 27% | 9% | 50.67% |
| | 29% | 11.5% | 52.67% |
| | 30% | 12% | 53.67% |
| | 26.5% | 11% | 50.17% |
| | 29% | 11.5% | 52.67% |
| | 27% | 12% | 50.67% |
| General | 26.5% | 12.2% | 50.17% |
| M&P | 25% | n/a | n/a |
| | 31% | 10% | 54.67% |
| | 26.5% | 12.2% | 50.17% |
| General | 27% | 9.5% | 50.67% |
| M&P | 25% | n/a | n/a |
| General | 27% | 9% | 50.67% |
| M&P | 17.5% | n/a | n/a |

For December 31 year end (12-month taxation year).

Saskatchewan's CCPC threshold is \$600,000; the combined rate that applies to active business income from \$500,000 to \$600,000 is 15.5%.

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Tax Facts and Figures

Canada 2023

A message from our National Tax Leader

Welcome to the 46th edition of PwC's *Tax Facts and Figures*. This valuable reference tool will help you to stay apprised of recent Canadian tax developments and provide you with a wide range of tax information, including individual and corporate tax rates and deadlines.

Canada's economy is showing unexpected resilience in the face of interest rate hikes intended to curb record inflation. Federal, provincial and territorial governments are attempting to rein in spending, which may further slow the economy, and have not announced significant tax rate changes for 2023. However, the federal government has introduced numerous investment tax credits to support the development and adoption of green technologies and advance Canada's goal towards a cleaner economy. It has also proposed a new tax on the net value of share repurchases by public corporations and amendments that target the alternative minimum tax to high-income individuals.

Enhancements to Canada's mandatory disclosure rules were recently enacted, but other large-scale proposed tax initiatives are still awaiting draft or final legislation; these include implementing a 15% global minimum tax that will apply to large multinational enterprises (as part of reforming the international tax system), and limiting the deductibility of interest and financing expenses for certain taxpayers.

To stay informed throughout the year, explore the wealth of tax publications on our website: www.pwc.com/ca/taxpublications. Subscribe or update your contact information by visiting www.pwc.com/ca/stayintouch. Also, check out PwC's:

- income tax calculator at www.pwc.com/ca/calculator to estimate your annual personal tax expense and marginal tax rates
- worldwide tax summaries at www.pwc.com/taxsummaries for summaries of corporate and personal tax systems in over 150 countries

We would be pleased to help you plan for and respond to the many tax and other financial challenges that you or your business face. Please contact us.

A handwritten signature in black ink that reads "Dean".

Dean Landry
National Tax Leader
PwC Canada

Let's talk

For a deeper discussion of how the tax information in *Tax Facts and Figures* might affect you or your business, please contact:

- your PwC tax adviser
- any of the individuals listed at www.pwc.com/ca/taxcontacts

Office addresses and telephone numbers are available at www.pwc.com/ca/offices.

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This booklet is published with the understanding that PwC is not thereby engaged in rendering accounting, legal or other professional service or advice. The comments included in this booklet are not intended to constitute professional advice, nor should they be relied upon to replace professional advice.

Rates and other information are current to September 1, 2023, but may change as a result of legislation or regulations issued after that date.

Highlights for individuals and corporations: 2023 and beyond

Federal

Because the federal government is in a minority, it is uncertain whether federal tax changes that have not been enacted into law will proceed. At the publication date, many 2023 federal budget measures had not been enacted.

Personal and corporate income tax rates: unchanged (pp. 9, 24)

Alternative minimum tax: rate and exemption amount increased and base broadened, for taxation years beginning after 2023 (p. 9)

Intergenerational business transfers (IBTs): additional conditions proposed to ensure genuine IBTs, for transactions that occur after 2023 (p. 9)

Employee ownership trusts: new rules define and facilitate the use of employee ownership trusts, starting 2024 (p. 9)

Mandatory disclosure rules: for transactions entered into after June 22, 2023, enhanced rules for reportable transactions and new rules to report “notifiable transactions,” and for taxation years beginning after 2022, new rules to report “uncertain tax treatments” (p. 10)

Trusts: new reporting and filing requirements apply to taxation years that end after December 30, 2023 (p. 10)

Underused housing tax: penalties and interest waived for certain late-filed returns and late-paid tax for the 2022 calendar year (p. 10)

Tax on equity repurchases: new 2% tax on the net value of share repurchases by a public corporation after 2023 (p. 24)

“Green” investment tax credits: multiple new refundable tax credits for clean technology adoption, clean hydrogen production, clean technology manufacturing and clean electricity generation (p. 24)

International tax reform: Canada remains committed to the OECD/G20 plan to reform the international tax system, which includes implementing a 15% global minimum tax (p. 25)

Excessive interest and financing expenses limitation regime: deductibility of interest and financing expenses limited for certain taxpayers, for taxation years beginning after September 30, 2023 (p. 25)

Corporate beneficial ownership registry: publicly accessible registry for most privately held companies proposed (p. 26)

Alberta

Personal and corporate income tax rates: unchanged (pp. 11, 26)

British Columbia

Personal and corporate income tax rates: unchanged (pp. 11, 27)

Corporate beneficial ownership registry: publicly accessible registry for private BC corporations expected to be launched in 2025 (p. 27)

Manitoba

Personal and corporate income tax rates: unchanged (pp. 12, 27)

Personal tax system: personal tax brackets increasing in 2024 and indexed thereafter (p. 12)

New Brunswick

Personal income tax rates: for 2023, decreasing at all taxable income levels above the lowest tax bracket (p. 12)

Corporate income tax rates: unchanged (p. 28)

Newfoundland and Labrador

Personal and corporate income tax rates: unchanged (pp. 13, 28)

Northwest Territories

Personal and corporate income tax rates: unchanged (pp. 13, 29)

Nova Scotia

Personal and corporate income tax rates: unchanged (pp. 14, 29)

Beneficial ownership register: new requirements for most privately held companies (including unlimited liability companies), starting April 1, 2023 (p. 29)

Highlights for individuals and corporations: 2023 and beyond

Nunavut

Personal and corporate income tax rates: unchanged (pp. [14](#), [30](#))

Ontario

Personal and corporate income tax rates: unchanged (pp. [15](#), [30](#))

Land transfer tax: non-resident speculation tax rate increased from 20% to 25%, effective October 25, 2022 (p. [15](#))

Ontario made manufacturing investment tax credit: new 10% refundable tax credit for qualifying CCPCs that incur eligible expenditures for certain buildings, machinery and equipment used primarily for M&P in Ontario, effective after March 22, 2023 (p. [30](#))

Prince Edward Island

Personal income tax rates: rates and tax brackets changing and surtax to be eliminated in 2024 (p. [15](#))

Corporate income tax rates: unchanged (p. [31](#))

Quebec

Personal income tax rates: for 2023, decreasing for taxable income levels in the lowest two tax brackets (p. [16](#))

Corporate income tax rates: unchanged (p. [31](#))

Personal and business tax credits: many changes (pp. [16](#), [31](#), [32](#))

Ownership transparency: new ownership transparency requirements for certain enterprises conducting business in Quebec, starting March 31, 2023 (pp. [16](#), [32](#))

Saskatchewan

Personal income tax rates: decreasing gradually for non-eligible dividends from 2023 to 2025 (p. [17](#))

Corporate income tax rates: general and M&P rate unchanged; small business CCPC rate increasing to 1% on July 1, 2023 and 2% on July 1, 2024 (p. [32](#))

Beneficial ownership register: new requirements for certain privately held companies, starting March 12, 2023 (p. [32](#))

Yukon

Personal and corporate income tax rates: unchanged (pp. [17](#), [33](#))

Individuals

Individual marginal rates

The tables on this page and page 5 show 2023 combined federal and provincial (or territorial) marginal tax rates – the percentage of tax paid on the last dollar of income, or on additional income.

Provincial brackets below \$15,000 are not shown.

| | Taxable income \$15,000 ¹ to \$53,359 | | | | | Taxable income \$53,359 to \$106,717 | | | | | Taxable income \$106,717 to \$165,430 | | | | |
|----------------------------------|--|------------------------------|-------------------------|---|------------------------------|---|----------------------------------|----------------------------------|---|----------------------------------|---------------------------------------|------------------------------|-----------------|---|----------------|
| | Brackets \$ | Ordinary income & interest % | Capital gains % | Canadian dividends ² Eligible % | Non-eligible % | Brackets \$ | Ordinary income & interest % | Capital gains % | Canadian dividends ² Eligible % | Non-eligible % | Brackets \$ | Ordinary income & interest % | Capital gains % | Canadian dividends ² Eligible % | Non-eligible % |
| Federal | 15,000 | 15.00 | 7.50 | (0.03) to 0 | 6.87 | 53,359 | 20.50 | 10.25 | 7.56 | 13.19 | 106,717 | 26.00 | 13.00 | 15.15 | 19.52 |
| Alberta | 21,003 15,000 | 25.00 15.00 | 12.50 7.50 | 2.57 to 2.60 (0.03) to 0 | 15.86 6.87 | 53,359 | 30.50 | 15.25 | 10.16 | 22.18 | 142,292 106,717 | 38.00 36.00 | 19.00 18.00 | 20.51 17.75 | 30.81 28.51 |
| British Columbia | 45,654 15,000 | 22.70 20.06 | 11.35 10.03 | (5.96) to 0 (9.60) to 0 | 13.47 10.43 | 104,835 91,310 53,359 | 32.79 31.00 28.20 | 16.40 15.50 14.10 | 7.96 5.49 to 7.56 1.63 to 7.56 | 25.07 23.01 19.79 | 127,299 106,717 | 40.70 38.29 | 20.35 19.15 | 18.88 15.55 | 34.17 31.39 |
| Manitoba | 36,842 15,000 | 27.75 25.80 | 13.88 12.90 | 6.53 to 6.56 3.84 to 3.86 | 20.63 18.38 | 79,625 53,359 | 37.90 33.25 | 18.95 16.63 | 20.53 14.12 | 32.30 26.95 | 106,717 | 43.40 | 21.70 | 28.12 | 38.62 |
| New Brunswick | 47,715 15,000 | 29.00 24.40 | 14.50 12.20 | (0.03) to 0 (6.38) to 0 | 19.80 14.51 | 95,431 53,359 | 36.50 34.50 | 18.25 17.25 | 10.32 7.56 | 28.43 26.13 | 106,717 | 42.00 | 21.00 | 17.91 | 34.75 |
| Newfoundland and Labrador | 41,457 15,000 | 29.50 23.70 | 14.75 11.85 | 11.29 to 11.32 3.28 to 3.31 | 19.86 13.19 | 82,913 53,359 | 36.30 35.00 | 18.15 17.50 | 20.67 18.88 | 27.68 26.19 | 148,027 106,717 | 43.80 41.80 | 21.90 20.90 | 31.02 28.26 | 36.31 34.01 |
| Northwest Territories | 48,326 16,593 15,000 | 23.60 20.90 15.00 | 11.80 10.45 7.50 | (4.03) to 0 (7.76) to 0 (0.03) to 0 | 9.86 6.75 to 6.87 6.87 | 96,655 53,359 | 32.70 29.10 | 16.35 14.55 | 8.53 3.56 to 7.56 | 20.32 16.18 | 157,139 106,717 | 40.05 38.20 | 20.03 19.10 | 18.67 16.12 | 28.77 26.65 |
| Nova Scotia | 29,590 ³ 25,000 ³ 15,000 | 30.48 24.32 23.79 | 15.24 12.16 11.90 | 9.12 to 9.15 0.62 to 0.65 (0.11) to 0 | 21.23 14.14 13.54 | 93,000 75,000 ³ 59,180 ³ 53,359 ³ | 38.00 37.17 37.70 35.98 | 19.00 18.59 18.85 17.99 | 19.50 18.35 19.08 16.71 | 29.88 28.92 29.53 27.55 | 150,000 106,717 | 47.00 43.50 | 23.50 21.75 | 31.92 27.09 | 40.23 36.20 |
| Nunavut | 50,877 17,925 15,000 | 22.00 19.00 15.00 | 11.00 9.50 7.50 | 2.03 to 2.06 (2.11) to 0 (0.03) to 0 | 11.91 8.46 6.87 | 101,754 53,359 | 29.50 27.50 | 14.75 13.75 | 12.38 9.62 | 20.54 18.24 | 165,429 106,717 | 37.50 35.00 | 18.75 17.50 | 23.42 19.97 | 29.74 26.86 |
| Ontario | 49,231 15,000 | 24.15 20.05 | 12.08 10.03 | (1.20) to 0 (6.86) to 0 | 13.95 9.24 | 102,139 98,463 86,696 53,359 | 37.91 33.89 31.48 29.65 | 18.95 16.95 15.74 14.83 | 17.79 12.24 8.92 6.39 to 7.56 | 29.78 25.16 22.38 20.28 | 150,000 106,717 | 44.97 43.41 | 22.48 21.70 | 27.53 25.38 | 37.90 36.10 |
| Prince Edward Island | 31,984 15,000 | 28.80 24.80 | 14.40 12.40 | 4.53 to 4.55 (0.99) to 0 | 21.24 16.64 | 101,102 63,969 53,359 | 38.87 37.20 34.30 | 19.44 18.60 17.15 | 16.97 16.12 12.12 | 32.67 30.90 27.57 | 106,717 | 44.37 | 22.19 | 24.56 | 39.00 |
| Quebec | 49,275 17,183 15,000 | 31.53 26.53 12.53 | 15.76 13.26 6.26 | 10.05 to 10.07 3.15 to 3.17 (0.02) to 0 | 23.65 17.90 5.73 | 98,540 53,359 | 41.12 36.12 | 20.56 18.06 | 23.29 16.39 | 34.68 28.93 | 119,910 106,717 | 47.46 45.71 | 23.73 22.86 | 32.04 29.63 | 41.97 39.96 |
| Saskatchewan | 49,720 17,661 15,000 | 27.50 25.50 15.00 | 13.75 12.75 7.50 | 2.04 to 2.07 (0.72) to 0 (0.03) to 0 | 18.82 16.52 6.87 | 53,359 | 33.00 | 16.50 | 9.63 | 25.14 | 142,058 106,717 | 40.50 38.50 | 20.25 19.25 | 19.98 17.22 | 33.77 31.47 |
| Yukon | 15,000 | 21.40 | 10.70 | (7.78) to 0 | 13.45 | 53,359 | 29.50 | 14.75 | 3.40 to 7.56 | 22.77 | 106,717 | 36.90 | 18.45 | 13.61 to 15.15 | 31.28 |
| Non-resident⁴ | 15,000 | 22.20 | 11.10 | (0.04) to 0 | 10.16 | 53,359 | 30.34 | 15.17 | 11.19 | 19.52 | 106,717 | 38.48 | 19.24 | 22.43 | 28.88 |

See page 5 for footnotes.

Individuals

Individual marginal rates (continued)

| | Taxable income \$165,430 to \$235,675 ¹ | | | | | Taxable income > \$235,675 | | | | |
|----------------------------------|--|------------------------------|-----------------|---------------------------------|----------------|----------------------------|------------------------------|-----------------|---------------------------------|----------------|
| | Brackets \$ | Ordinary income & interest % | Capital gains % | Canadian dividends ² | | Brackets \$ | Ordinary income & interest % | Capital gains % | Canadian dividends ² | |
| | | | | Eligible % | Non-eligible % | | | | Eligible % | Non-eligible % |
| Federal | 165,430 | 29.32 | 14.66 | 19.73 | 23.33 | 235,675 | 33.00 | 16.50 | 24.81 | 27.57 |
| Alberta | 227,668 | 43.32 | 21.66 | 27.85 | 36.92 | 341,502 | 48.00 | 24.00 | 34.31 | 42.31 |
| | 170,751 | 42.32 | 21.16 | 26.47 | 35.77 | 235,675 | 47.00 | 23.50 | 32.93 | 41.16 |
| | 165,430 | 41.32 | 20.66 | 25.09 | 34.62 | | | | | |
| British Columbia | 172,602 | 46.12 | 23.06 | 26.35 | 40.39 | 240,716 | 53.50 | 26.75 | 36.54 | 48.89 |
| | 165,430 | 44.02 | 22.01 | 23.45 | 37.98 | 235,675 | 49.80 | 24.90 | 31.44 | 44.63 |
| Manitoba | 165,430 | 46.72 | 23.36 | 32.70 | 42.44 | 235,675 | 50.40 | 25.20 | 37.78 | 46.67 |
| New Brunswick | 176,756 | 48.82 | 24.41 | 27.32 | 42.59 | 235,675 | 52.50 | 26.25 | 32.40 | 46.83 |
| | 165,430 | 45.32 | 22.66 | 22.49 | 38.57 | | | | | |
| Newfoundland and Labrador | 207,239 | 49.12 | 24.56 | 38.36 | 42.42 | 1,059,000 | 54.80 | 27.40 | 46.20 | 48.96 |
| | | 165,430 | 47.12 | 23.56 | 35.60 | 40.12 | 529,500 | 54.30 | 27.15 | 45.51 |
| | 165,430 | | | | | 264,750 | 53.80 | 26.90 | 44.82 | 47.81 |
| | | | | | | 235,675 | 52.80 | 26.40 | 43.44 | 46.66 |
| Northwest Territories | 165,430 | 43.37 | 21.68 | 23.25 | 32.59 | 235,675 | 47.05 | 23.53 | 28.33 | 36.82 |
| Nova Scotia | 165,430 | 50.32 | 25.16 | 36.50 | 44.04 | 235,675 | 54.00 | 27.00 | 41.58 | 48.28 |
| Nunavut | 165,430 | 40.82 | 20.41 | 27.99 | 33.55 | 235,675 | 44.50 | 22.25 | 33.08 | 37.79 |
| Ontario | 220,000 | 49.85 | 24.92 | 34.26 | 43.50 | 235,675 | 53.53 | 26.76 | 39.34 | 47.74 |
| | 165,430 | 48.29 | 24.14 | 32.11 | 41.71 | | | | | |
| Prince Edward Island | 165,430 | 47.69 | 23.84 | 29.14 | 42.81 | 235,675 | 51.37 | 25.69 | 34.22 | 47.05 |
| Quebec | 165,430 | 50.23 | 25.11 | 35.86 | 45.16 | 235,675 | 53.31 | 26.65 | 40.11 | 48.70 |
| Saskatchewan | 165,430 | 43.82 | 21.91 | 24.56 | 37.58 | 235,675 | 47.50 | 23.75 | 29.64 | 41.82 |
| Yukon | 165,430 | 42.25 | 21.13 | 20.99 | 37.43 | 500,000 | 48.00 | 24.00 | 28.93 | 44.04 |
| | | | | | | 235,675 | 45.80 | 22.90 | 25.89 | 41.51 |
| Non-resident⁴ | 165,430 | 42.92 | 21.46 | 28.55 | 33.99 | 235,675 | 48.84 | 24.42 | 36.72 | 40.80 |

1. The table reflects the enhanced federal (and Yukon) basic personal amount (BPA) of \$15,000; the regular federal (and Yukon) BPA is \$13,521. The additional BPA of \$1,479 is gradually clawed back when taxable income exceeds \$165,430, and eliminated when taxable income reaches \$235,675. The marginal rates for taxable income between \$165,430 and \$235,675 reflect this claw-back (except for the non-resident rates, because a non-resident can claim the BPA only if all or substantially all [i.e. 90% or more] of the non-resident's worldwide income is included in his or her taxable income earned in Canada for the year).
2. Eligible dividends are designated as such by the payor. Most dividends paid by public corporations are eligible dividends. When two dividend rates are indicated, the rate that applies depends on the level of the taxpayer's other income, with the higher rate applying if the taxpayer has no other income.
3. The table reflects Nova Scotia's enhanced BPA, which is gradually clawed back when taxable income exceeds \$25,000 and eliminated when taxable income reaches \$75,000. The marginal rates for taxable income between \$25,000 and \$75,000 reflect this claw-back, which causes the rates to drop slightly at \$75,000.
4. Non-resident rates for interest and dividends apply only in limited cases; generally, interest (other than most interest paid to arm's-length non-residents) and dividends are subject to Part XIII non-resident withholding tax.

Individuals

How much tax? Individual tax table

This table shows 2023 combined federal and provincial (or territorial) income taxes payable, assuming all income is interest or ordinary income (such as salary) and only the basic personal tax credit is claimed (except for non-residents).

Certain types of income and deductions may trigger alternative minimum tax (AMT), affecting the results.

The amounts reflect the increase to the federal (and Yukon) basic personal amount, from \$13,521 to \$15,000 for 2023, if taxable income is under \$235,675. See pages 9 and 17.

For Nova Scotia, the amounts reflect the increase in Nova Scotia's basic personal amount by up to \$3,000 if taxable income is under \$75,000. See page 14.

For Quebec, the federal income tax amounts shown should be reduced by the 16.5% "Quebec abatement." See page 16.

This table assumes the non-resident will not qualify for the basic personal tax credit. A non-resident can claim this credit only if all or substantially all (i.e. 90% or more) of his or her worldwide income is included in taxable income earned in Canada for the year. Instead of provincial or territorial tax, non-residents pay an additional 48% of basic federal tax on income taxable in Canada that is not earned in a province or territory. Non-residents are subject to provincial or territorial rates on employment income earned, and business income connected with a permanent establishment, in the respective province or territory. Different rates may apply to non-residents in other circumstances. For the taxation of interest and dividends paid to non-residents, see footnote 4 on page 5.

| | | Combined 2023 federal and provincial/territorial income tax | | | | | | | | | | | | | | | | |
|------------------|-------------|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--------------|-------------|--|
| | | Federal income tax | AB | BC | MB | NB | NL | NWT | NS | NU | ON | PEI | QC | SK | YT | Non-resident | | |
| ↑ Taxable income | \$1,000,000 | \$304,778 | \$442,432 | \$487,934 | \$472,737 | \$488,317 | \$500,992 | \$436,607 | \$505,170 | \$411,364 | \$493,619 | \$482,405 | \$500,095 | \$444,088 | \$436,354 | \$454,073 | \$1,000,000 | |
| | 500,000 | 139,778 | 202,432 | 220,434 | 220,737 | 225,817 | 229,639 | 201,357 | 235,170 | 188,864 | 225,971 | 225,555 | 233,570 | 206,588 | 196,354 | 209,873 | 500,000 | |
| | 400,000 | 106,778 | 154,432 | 166,934 | 170,337 | 173,317 | 175,839 | 154,307 | 181,170 | 144,364 | 172,442 | 174,185 | 180,265 | 159,088 | 150,554 | 161,033 | 400,000 | |
| | 300,000 | 73,778 | 106,487 | 113,434 | 119,937 | 120,817 | 122,039 | 107,257 | 127,170 | 99,864 | 118,912 | 122,815 | 126,960 | 111,588 | 104,754 | 112,193 | 300,000 | |
| | 250,000 | 57,278 | 83,347 | 86,684 | 94,737 | 94,567 | 95,287 | 83,732 | 100,170 | 77,614 | 92,147 | 97,130 | 100,307 | 87,838 | 81,854 | 87,773 | 250,000 | |
| | 200,000 | 42,092 | 61,438 | 62,755 | 70,851 | 69,631 | 70,346 | 61,522 | 74,484 | 56,678 | 67,009 | 72,760 | 74,752 | 65,402 | 60,221 | 65,465 | 200,000 | |
| | 150,000 | 27,946 | 41,000 | 40,683 | 48,005 | 46,671 | 47,300 | 40,482 | 49,838 | 37,167 | 43,378 | 49,428 | 50,065 | 44,006 | 39,921 | 44,690 | 150,000 | |
| | 100,000 | 15,315 | 23,215 | 21,447 | 26,674 | 26,041 | 26,730 | 21,752 | 28,457 | 20,072 | 22,128 | 27,631 | 26,992 | 24,966 | 21,968 | 25,997 | 100,000 | |
| | 90,000 | 13,265 | 20,165 | 18,384 | 22,884 | 22,499 | 23,100 | 18,721 | 24,682 | 17,322 | 18,943 | 23,911 | 23,307 | 21,666 | 19,018 | 22,963 | 90,000 | |
| | 80,000 | 11,215 | 17,115 | 15,564 | 19,094 | 19,049 | 19,508 | 15,811 | 20,965 | 14,572 | 15,918 | 20,191 | 19,695 | 18,366 | 16,068 | 19,929 | 80,000 | |
| | 70,000 | 9,165 | 14,065 | 12,744 | 15,752 | 15,599 | 16,008 | 12,901 | 17,222 | 11,822 | 12,953 | 16,471 | 16,084 | 15,066 | 13,118 | 16,895 | 70,000 | |
| 60,000 | 7,115 | 11,015 | 9,924 | 12,427 | 12,149 | 12,508 | 9,991 | 13,452 | 9,072 | 9,988 | 12,866 | 12,472 | 11,766 | 10,168 | 13,861 | 60,000 | | |
| 50,000 | 5,250 | 8,150 | 7,288 | 9,287 | 8,884 | 9,192 | 7,266 | 10,025 | 6,533 | 7,207 | 9,621 | 9,014 | 8,651 | 7,490 | 11,100 | 50,000 | | |
| 40,000 | 3,750 | 5,650 | 5,168 | 6,512 | 6,339 | 6,327 | 5,131 | 6,977 | 4,633 | 5,171 | 6,741 | 6,326 | 6,096 | 5,350 | 8,880 | 40,000 | | |
| 30,000 | 2,250 | 3,150 | 3,162 | 3,870 | 3,899 | 3,957 | 3,041 | 3,929 | 2,733 | 3,166 | 3,941 | 3,673 | 3,546 | 3,210 | 6,660 | 30,000 | | |
| 20,000 | 750 | 750 | 1,156 | 1,290 | 1,459 | 1,587 | 951 | 1,499 | 833 | 1,161 | 1,461 | 1,021 | 996 | 1,070 | 4,440 | 20,000 | | |

↑ Taxable income

Individuals

Income tax filing and payment deadlines – individuals and trusts – 2023

Deadlines falling on holidays or weekends may be extended to the next business day. See page 38 for other filing deadlines.

However, the Canada Revenue Agency's administrative policy is to not charge instalment interest or penalties to a trust.

| | Instalments for 2023 | | Filing deadline and balance due for 2023 year | Tax forms |
|--|---|---|--|-------------------------------------|
| | Required | Deadline | | |
| Individuals | If tax payable in 2023 and either 2022 or 2021 exceeds tax withheld by more than \$3,000 (\$1,800 for Quebec residents) | 15th of March, June, September, December 2023 | April 30, 2024 (exceptions apply in certain cases) | T1 (and TP-1.D-V for Quebec filers) |
| Trusts Inter vivos Testamentary | | | 90 days after trust year end | T3 (and TP-646-V for Quebec filers) |

Graduated rate estates (an estate that is a testamentary trust, for the first 36 months after the date of death) are not required to remit instalments.

Mutual fund trusts can elect to have a taxation year that ends on December 15.

| Trusts | Trust created | Year end | Tax rate |
|--------------|---------------|-----------------|-------------|
| | Inter vivos | During lifetime | December 31 |
| Testamentary | On death | | |

Exceptions apply to graduated rate estates and qualifying disability trusts, which are taxed at personal marginal tax rates.

Applies to unit trusts, including mutual fund trusts.

An exception applies to graduated rate estates, which can have non-calendar year ends.

See page 5 for tax rates.

Filing deadline and balance due for 2023 year – Special cases

| | Filing deadline and balance due for 2023 year – Special cases | |
|---|---|---|
| | Filing | Balance due |
| Taxpayer (or spouse) carried on a business | June 15, 2024 ¹ | |
| Non-resident | If a non-resident receives: <ul style="list-style-type: none"> rental income on Canadian real property and elects to file under section 216, filing deadline is two years after end of year the income was paid or credited (June 30, 2024 if NR6 was filed) certain Canadian pension, retirement and social assistance benefits and elects to file under section 217, filing deadline is June 30, 2024 | April 30, 2024 (no extension) |
| Taxpayer died | Return for year of death—If a taxpayer died: <ul style="list-style-type: none"> January to October 2023, filing deadline¹ is April 30, 2024 November to December 2023, filing deadline¹ is 6 months after date of death Return for year before death—If a taxpayer died: <ul style="list-style-type: none"> after 2023 year end, but before filing deadline for the 2023 return, filing deadline¹ is 6 months after date of death. | For deceased, if died: <ul style="list-style-type: none"> January to October 2023, April 30, 2024 November to December 2023, 6 months after date of death For spouse, April 30, 2024. For deceased, 6 months after date of death. For spouse, April 30, 2024. |

Non-residents are not subject to instalment or filing requirements on these (and certain other) receipts. Instead, 25% Part XIII withholding tax applies (may be reduced by treaty).

If a taxpayer (or their spouse) carried on a business and died:

- January 1 to December 15, 2023, filing deadline¹ is June 15, 2024
- December 16 to December 31, 2023, filing deadline¹ is 6 months after date of death

1. Applies to taxpayer and their spouse.

Individuals

Probate fees (for estates over \$50,000)

Probate is an administrative procedure under which a court validates a deceased's will and confirms the appointment of the executor.

This table shows probate fees or administrative charges for probating a will. Other fees may also apply.

For some provinces and territories, different rates may apply to smaller estates (less than \$50,000).

| | Fee schedule (value over \$50,000) | Example fees | | |
|---------------------------|---|--------------------|----------------------|----------------------|
| | | \$500,000 value | \$2,000,000 value | \$5,000,000 value |
| Alberta | \$275 to \$525 | \$525 | | |
| British Columbia | \$350 + 1.4% of portion > \$50,000 | \$6,650 | \$27,650 | \$69,650 |
| Manitoba | Nil | Nil | | |
| New Brunswick | 0.5% of estate | \$2,500 | \$10,000 | \$25,000 |
| Newfoundland and Labrador | \$60 + 0.6% of portion > \$1,000 | \$3,054 | \$12,054 | \$30,054 |
| Northwest Territories | \$215 to \$435 | \$435 | | |
| Nova Scotia | \$1,003 + 1.695% of portion > \$100,000 | \$7,783 | \$33,208 | \$84,058 |
| Nunavut | \$215 to \$425 | \$425 | | |
| Ontario | 1.5% of portion > \$50,000 | \$6,750 | \$29,250 | \$74,250 |
| Prince Edward Island | \$400 + 0.4% of portion > \$100,000 | \$2,000 | \$8,000 | \$20,000 |
| Quebec | Nominal fee | | | |
| Saskatchewan | 0.7% of estate | \$3,500 | \$14,000 | \$35,000 |
| Yukon | \$140 | \$140 | | |

Although Quebec does not levy probate fees, wills (other than notarial wills) must be authenticated by the Superior Court of Quebec. A nominal fee applies.

Individuals

Key tax changes

Federal

Individuals with taxable income:

- ≤ \$165,430 will qualify for the \$15,000 basic personal amount
- > \$165,430 will have the \$15,000 basic personal amount gradually reduced to \$13,521, as taxable income approaches \$235,675

| | Top federal rates | | | |
|------|-------------------|---------------|-----------|--------------|
| | Ordinary income | Capital gains | Dividends | |
| | | | Eligible | Non-eligible |
| 2022 | | | | |
| 2023 | 33% | 16.50% | 24.81% | 27.57% |

| 2023 Federal | | | | | |
|-----------------------|----------------------|----------|-----------|-----------------|-----------|
| Basic personal amount | \$13,521 to \$15,000 | | | Indexing factor | 6.3% |
| Bracket | \$0 | \$53,359 | \$106,717 | \$165,430 | \$235,675 |
| Rate | 15% | 20.5% | 26% | 29% | 33% |

Because the federal government is in a minority, it is uncertain whether federal tax changes that have not been enacted into law will proceed. At the publication date, many 2023 federal budget measures had not been enacted. See our *Tax Insights* “2023 Federal budget: Supporting a clean economy” at www.pwc.com/ca/budget for more information on some of the changes discussed below.

Highlights of changes

Alternative minimum tax (AMT): For taxation years beginning after 2023, proposed changes to the AMT calculation:

- increase the federal AMT rate from 15% to 20.5% and the exemption amount from \$40,000 to the start of the second from top federal tax bracket (i.e. \$165,430 in 2023; to be indexed for 2024)
- broaden the AMT base by:
 - increasing the capital gains inclusion rate from 80% to 100% (capital loss carryforward and allowable business investment loss deductions would apply at 50%)
 - including 100% of employee stock option benefits and 30% of capital gains on donations of publicly listed securities
 - disallowing 50% of certain deductions (e.g. childcare and moving expenses)
- allow only 50% of most non-refundable tax credits to reduce AMT

See our *Tax Insights* “Proposed changes to the alternative minimum tax: How will it affect individuals and trusts?” at www.pwc.com/ca/taxinsights.

Intergenerational business transfers (IBTs): To ensure that only genuine IBTs are excluded from the application of section 84.1 of the *Income Tax Act*, additional conditions must be met for these transfers. For transactions that occur after 2023, taxpayers can choose to rely on one of two transfer options (certain conditions apply):

- an immediate IBT (three-year test) based on arm’s length sale hallmarks
- a gradual IBT (five-to-ten-year test) based on traditional estate freeze characteristics

The transferor and the child (or children) must jointly elect for the transfer to qualify for either of the above two options. If the transfer does not qualify, the child (or children) will be jointly and severally liable for any additional taxes payable by the transferor. A ten-year capital gains reserve is available for genuine IBTs.

Employee ownership trusts (EOTs): Starting 2024, new rules define and facilitate the use of an EOT, a Canadian resident trust that, among other criteria:

- holds a controlling interest in the shares of one or more qualifying businesses (which must be a CCPC, among meeting other conditions) for the benefit of a corporation’s employees (the shares constitute all or substantially all of its assets)
- makes distributions to qualifying employee beneficiaries under a formula that only considers any combination of an employee’s length of service, remuneration and hours worked (otherwise all beneficiaries are generally treated equally)
- has either individual or licensed Canadian-resident corporate trustees (at least one third of the trustees must be qualifying current employee beneficiaries of the EOT)
- is exempt from the 21-year deemed disposition rule for trusts while it qualifies as an EOT

Income distributed from the trust to the beneficiaries will be taxed at the beneficiary level, and income not distributed will be taxed in the EOT at the top personal marginal tax rate. Certain existing tax rules will be modified (i.e. extending the five-year capital gains reserve to 10 years and, under the shareholder loan rules, the one year repayment period to 15 years, and providing an exception to the deemed interest benefit for an indebted shareholder for up to 15 years) to help facilitate and establish EOTs.

Tradesperson’s tools: Starting 2023, the maximum amount deductible by an employed tradesperson for eligible tool expenses increases from \$500 to \$1,000.

Automobile deductions and benefits: The 2023 prescribed rates for automobiles have increased, except for the maximum monthly interest deduction, which will stay the same as for 2022. For 2023 prescribed rates for automobiles, see *Car Expenses and Benefits – A Tax Guide* at www.pwc.com/ca/carexpenses.

Residential property flipping rule: This rule is extended to apply to an assignment sale, so that profits arising on certain dispositions after 2022 of a right to acquire a residential property within a one-year period of its acquisition are deemed to be business income.

Retirement savings plans and deferred profit sharing plans: Contribution limits will increase. See page 35.

Defined benefit registered pension plans:

The maximum pension benefit that can be paid from these plans is increasing as shown:

| | Pension benefit (per year of service) |
|------|--|
| 2022 | \$3,420 |
| 2023 | \$3,507 |
| 2024 | Indexed |

Amounts are 1/9 of the defined contribution RPP maximum contribution limit for the year. See page 35.

Individuals

Tax-free savings account (TFSA): The annual TFSA contribution limit increased from \$6,000 to \$6,500 in 2023.

Registered education savings plans (RESPs): Effective March 28, 2023:

- the terms of an RESP may permit maximum educational assistance payment withdrawals for beneficiaries enrolled in:
 - full-time programs, of \$8,000 (up from \$5,000) for the first 13 consecutive weeks of enrollment
 - part-time programs, of \$4,000 (up from \$2,500) per 13-week period
- divorced or separated parents are permitted to open joint RESPs for their children, or to move an existing joint RESP to another promoter

Registered disability savings plans (RDSPs): An interim measure, which allows a “qualifying family member” to temporarily be the plan holder for an individual who is unable to enter into an RDSP contract, is extended by three years to December 31, 2026. Also, upon royal assent of the enacting legislation, a qualifying family member is expanded to include a brother or sister of an adult beneficiary.

Retirement compensation arrangements (RCAs): Fees or premiums paid after March 27, 2023 to secure a letter of credit (or surety bond) by an RCA trust that is supplemental to an RPP will no longer be subject to Part XI.3 refundable tax under the *Income Tax Act*. Employers can request a refund of previously remitted refundable tax for the above noted fees or premiums when the related retirement benefits are paid after 2023.

Mandatory disclosure rules: Enhancements to Canada’s mandatory disclosure rules:

- for transactions entered into after June 22, 2023, amended the “reportable transaction” rules and introduced a requirement for taxpayers to report “notifiable transactions”
- for taxation years beginning after 2022, introduced a requirement for “specified corporations” to report “uncertain tax treatments” (however, the penalty provisions only apply to taxation years beginning after June 22, 2023)

See our *Tax Insights* “Mandatory disclosure rules: Taxpayers, advisers and promoters need to prepare” (June 23, 2023 update) at www.pwc.com/ca/taxinsights.

Trusts: New reporting and filing requirements for trusts will apply to taxation years that end after December 30, 2023. See our *Tax Insights* “New trust filing and information reporting rules are now enacted: Trustees need to be prepared” at www.pwc.com/ca/taxinsights.

Underused housing tax (UHT): The first annual UHT information return in respect of a property for the 2022 calendar year was due by May 1, 2023; however, penalties and interest will be waived for any late-filed UHT returns and for any late-paid UHT, provided the return is filed or the UHT is paid by October 31, 2023. See our *Tax Insights* “The underused housing tax – A new compliance requirement for many owners of Canadian residential property” (April 5, 2023 update) at www.pwc.com/ca/taxinsights.

Flow-through shares and critical mineral exploration tax credit: Lithium from brines is included as a mineral resource for purposes of the:

- flow-through share regime, for eligible expenses related to lithium from brines made after March 27, 2023
- critical mineral exploration tax credit, for flow-through share agreements entered into after March 27, 2023 and before April 2027

General anti-avoidance rule (GAAR): Amendments to strengthen the GAAR:

- introduce a preamble to guide the interpretation of the GAAR, effective upon royal assent of the enacting legislation
- for transactions that occur after 2023:
 - lower the avoidance transaction standard
 - introduce an economic substance rule
 - apply a 25% penalty and a three-year extension of the normal reassessment period unless the transaction had been disclosed to the Canada Revenue Agency

Tax treaties: Since July 2022, no tax treaties have been signed, ratified or entered into force, nor were any new negotiations announced.

Individuals

Alberta

| | | Top combined rates | | | |
|------|--|--------------------|---------------|-----------|--------------|
| | | Ordinary income | Capital gains | Dividends | |
| | | | | Eligible | Non-eligible |
| 2022 | | 48.00% | 24.00% | 34.31% | 42.31% |
| 2023 | | 48.00% | 24.00% | 34.31% | 42.31% |

| 2023 Alberta | | | | | | |
|-----------------------|-----------|-----------------|-----------|-----------|-----------|------|
| Basic personal amount | \$ 21,003 | Indexing factor | | | | 6.0% |
| Bracket | \$0 | \$142,292 | \$170,751 | \$227,668 | \$341,502 | |
| Rate | 10% | 12% | 13% | 14% | 15% | |

Highlights of changes

Personal tax system: Retroactive to 2022, Alberta personal tax brackets and personal tax amounts were indexed to inflation (in 2020, Alberta temporarily suspended indexing its personal tax system).

Charitable donations tax credit: Starting 2023, the charitable donations tax credit rate on the first \$200 of donations increased from 10% to 60%.

Adoption expenses tax credit: The maximum allowable expenses for this tax credit increased for 2023 to \$18,210 (from \$14,365, the indexed amount for 2023) and will be indexed thereafter.

British Columbia

| | | Top combined rates | | | |
|------|--|--------------------|---------------|-----------|--------------|
| | | Ordinary income | Capital gains | Dividends | |
| | | | | Eligible | Non-eligible |
| 2022 | | 53.50% | 26.75% | 36.54% | 48.89% |
| 2023 | | 53.50% | 26.75% | 36.54% | 48.89% |

| 2023 British Columbia | | | | | | | | |
|-----------------------|----------|-----------------|----------|-----------|-----------|-----------|-----------|------|
| Basic personal amount | \$11,981 | Indexing factor | | | | | | 6.0% |
| Bracket | \$0 | \$45,654 | \$91,310 | \$104,835 | \$127,299 | \$172,602 | \$240,716 | |
| Rate | 5.06% | 7.7% | 10.5% | 12.29% | 14.7% | 16.8% | 20.5% | |

Can be reduced for low incomes.

Highlights of changes

Renters' tax credit: Effective January 1, 2023, eligible individuals who rent and occupy living accommodation in the province for at least six months in a calendar year, and pay rent on an eligible rental unit to unrelated persons, can claim this new income-tested refundable credit of up to \$400 per year; certain types of accommodation are not eligible for the credit.

Farmers' food donation tax credit: This credit is extended by three years to December 31, 2026.

Land transfer tax: For transactions occurring after December 31, 2023, purchases of new qualifying purpose-built rental buildings will be exempt from the 2% property transfer tax that applies to the fair market value of the residential component of a taxable transaction that exceeds \$3 million. Qualifying purpose-built rental buildings must:

- be non-stratified and held as rental for at least 10 years
- have the residential portion of the building be entirely for rental and have at least four apartments

Individuals

Manitoba

| | Top combined rates | | | |
|------|--------------------|---------------|--------------|--------|
| | Ordinary income | Capital gains | Dividends | |
| | | Eligible | Non-eligible | |
| 2022 | 50.40% | 25.20% | 37.78% | 46.67% |
| 2023 | 50.40% | 25.20% | 37.78% | 46.67% |

| 2023 Manitoba | | | |
|-----------------------|----------|-----------------|----------|
| Basic personal amount | \$15,000 | Indexing factor | 7.0% |
| Bracket | \$0 | \$36,842 | \$79,625 |
| Rate | 10.8% | 12.75% | 17.4% |

Can be reduced for low incomes.

Highlights of changes

Personal tax system: Manitoba's:

- basic personal amount increased from \$10,145 in 2022 to \$15,000 in 2023
- taxable income brackets will increase, starting in 2024, as follows:

| | 2023 | 2024 |
|----------|--------|-----------------------|
| Tax rate | 17.4% | > \$79,625 |
| | 12.75% | \$36,842 to \$79,625 |
| | 10.8% | \$0 to \$36,842 |
| | | > \$100,000 |
| | | \$47,000 to \$100,000 |
| | | \$0 to \$47,000 |

The tax brackets will be indexed after 2024.

Mineral exploration tax credit: This credit, which was scheduled to expire on December 31, 2023, is made permanent. In addition, technical amendments will be made to ensure that exploration expenses related to critical minerals continue to be eligible for this credit.

Green energy equipment tax credit: This credit, which was scheduled to expire on June 30, 2023, is made permanent.

New Brunswick

| | Top combined rates | | | |
|------|--------------------|---------------|--------------|--------|
| | Ordinary income | Capital gains | Dividends | |
| | | Eligible | Non-eligible | |
| 2022 | 53.30% | 26.65% | 33.51% | 47.75% |
| 2023 | 52.50% | 26.25% | 32.40% | 46.83% |

| 2023 New Brunswick | | | | |
|-----------------------|----------|-----------------|----------|-----------|
| Basic personal amount | \$12,458 | Indexing factor | 6.3% | |
| Bracket | \$0 | \$47,715 | \$95,431 | \$176,756 |
| Rate | 9.4% | 14% | 16% | 19.5% |

Can be reduced for low incomes.

Highlights of changes

Personal tax system:

| | 2022 | 2023 |
|------------------|---------|--------|
| Income tax rates | Highest | 20.3% |
| | ↑ | 17.84% |
| | | 16.52% |
| | | 14.82% |
| Lowest | 9.4% | |

Individuals

Newfoundland and Labrador

| | Top combined rates | | | |
|------|--------------------|---------------|-----------|--------------|
| | Ordinary income | Capital gains | Dividends | |
| | | | Eligible | Non-eligible |
| 2022 | | | | |
| 2023 | 54.80% | 27.40% | 46.20% | 48.96% |

| 2023 Newfoundland and Labrador | | | | | | | | |
|--------------------------------|----------|----------|-----------------|-----------|-----------|-----------|-----------|-------------|
| Basic personal amount | \$10,382 | | Indexing factor | | 5.9% | | | |
| Bracket | \$0 | \$41,457 | \$82,913 | \$148,027 | \$207,239 | \$264,750 | \$529,500 | \$1,059,000 |
| Rate | 8.7% | 14.5% | 15.8% | 17.8% | 19.8% | 20.8% | 21.3% | 21.8% |

Can be reduced for low incomes.

Highlights of changes

Physical activity tax credit: Starting 2023, the value of this refundable tax credit is doubled, from 8.7% to 17.4% on up to \$2,000 of eligible fitness expenses, providing an annual benefit of up to \$348 per family.

Northwest Territories

| | Top combined rates | | | |
|------|--------------------|---------------|-----------|--------------|
| | Ordinary income | Capital gains | Dividends | |
| | | | Eligible | Non-eligible |
| 2022 | | | | |
| 2023 | 47.05% | 23.53% | 28.33% | 36.82% |

| 2023 Northwest Territories | | | | |
|----------------------------|----------|-----------------|----------|-----------|
| Basic personal amount | \$16,593 | Indexing factor | | 6.3% |
| Bracket | \$0 | \$48,326 | \$96,655 | \$157,139 |
| Rate | 5.9% | 8.6% | 12.2% | 14.05% |

Highlights of changes

No significant personal tax changes were announced.

Individuals

Individuals with taxable income:

- ≤ \$25,000 will qualify for the \$11,481 basic personal amount
- > \$25,000 will have the \$11,481 basic personal amount gradually reduced to \$8,481, as taxable income approaches \$75,000

Nova Scotia

| | Top combined rates | | | |
|------|--------------------|---------------|-----------|--------------|
| | Ordinary income | Capital gains | Dividends | |
| | | | Eligible | Non-eligible |
| 2022 | | | | |
| 2023 | 54.00% | 27.00% | 41.58% | 48.28% |

| 2023 Nova Scotia | | | | | |
|-----------------------|---------------------|----------|-----------------|----------|-----------|
| Basic personal amount | \$8,481 to \$11,481 | | Indexing factor | n/a | |
| Bracket | \$0 | \$29,590 | \$59,180 | \$93,000 | \$150,000 |
| Rate | 8.79% | 14.95% | 16.67% | 17.5% | 21% |

Can be reduced for low incomes.

Highlights of changes

More opportunities for skilled trades (MOST) tax refund: This provincial personal income tax refund program for individuals under the age of 30 will be expanded to those employed as, starting:

- 2022, film and video operators
- 2023, registered nurses, licensed practical nurses and nurse practitioners who work for publicly funded employers, continuing care and disability support programs, and nurses working in publicly funded schools as part of the School Health Partnership Program

Nunavut

| | Top combined rates | | | |
|------|--------------------|---------------|-----------|--------------|
| | Ordinary income | Capital gains | Dividends | |
| | | | Eligible | Non-eligible |
| 2022 | | | | |
| 2023 | 44.50% | 22.25% | 33.08% | 37.79% |

| 2023 Nunavut | | | | |
|-----------------------|----------|-----------------|-----------|-----------|
| Basic personal amount | \$17,925 | Indexing factor | 6.3% | |
| Bracket | \$0 | \$50,877 | \$101,754 | \$165,429 |
| Rate | 4% | 7% | 9% | 11.5% |

Highlights of changes

Nunavut carbon credit: Starting July 2023, this new refundable tax credit, which replaces the Nunavut carbon rebate, provides a direct cash payment every three months to territorial residents.

Individuals

Ontario

| | Top combined rates | | | |
|------|--------------------|---------------|-----------|--------------|
| | Ordinary income | Capital gains | Dividends | |
| | | | Eligible | Non-eligible |
| 2022 | | | | |
| 2023 | 53.53% | 26.76% | 39.34% | 47.74% |

Dividend tax rates are determined by calculating the Ontario surtax before deducting dividend tax credits from Ontario tax.

| 2023 Ontario | | | | | |
|-----------------------|----------|-----------------|----------|-----------|-----------|
| Basic personal amount | \$11,865 | Indexing factor | 6.5% | | |
| Bracket | \$0 | \$49,231 | \$98,463 | \$150,000 | \$220,000 |
| Rate | 5.05% | 9.15% | 11.16% | 12.16% | 13.16% |

Can be reduced for low incomes.

Surtax: 20% of basic provincial tax in excess of \$5,315 + 36% of basic provincial tax in excess of \$6,802.

Highlights of changes

Land transfer tax: Effective October 25, 2022, Ontario's non-resident speculation tax rate increased from 20% to 25%. See page 37 and our *Tax Insights* "Ontario non-resident speculation tax: Recent changes" (November 8, 2022 update) at www.pwc.com/ca/taxinsights.

Prince Edward Island

| | Top combined rates | | | |
|------|--------------------|---------------|-----------|--------------|
| | Ordinary income | Capital gains | Dividends | |
| | | | Eligible | Non-eligible |
| 2022 | | | | |
| 2023 | 51.37% | 25.69% | 34.22% | 47.05% |

| 2023 Prince Edward Island | | | | |
|---------------------------|----------|-----------------|----------|--|
| Basic personal amount | \$12,750 | Indexing factor | n/a | |
| Bracket | \$0 | \$31,984 | \$63,969 | |
| Rate | 9.8% | 13.8% | 16.7% | |

Can be reduced for low incomes.

Surtax: 10% of basic provincial tax in excess of \$12,500.

Highlights of changes

Personal tax system: Changes to Prince Edward Island's:

- personal tax rates and brackets, starting 2024, follow:

For 2023, a 10% surtax applies on provincial tax exceeding \$12,500, which corresponds to taxable income of \$101,102, assuming only the basic personal exemption is claimed; the surtax increases the province's top rate to 18.37%. The surtax is eliminated after 2023.

| Bracket | 2023 | | 2024 | |
|----------------------|---------|--------|-----------------------|--------|
| | Bracket | Rates | Bracket | Rates |
| > \$101,102 | | 18.37% | \$140,000 | 18.75% |
| \$63,969 - \$101,102 | | 16.7% | \$105,000 - \$140,000 | 18% |
| \$31,984 - \$63,969 | | 13.8% | \$64,313 - \$105,000 | 16.65% |
| \$0 - \$31,984 | | 9.8% | \$32,656 - \$64,313 | 13.63% |
| | | | \$0 - \$32,656 | 9.65% |

- personal amounts, starting 2023, follow:

| Personal amounts | | 2022 | 2023 | 2024 |
|-------------------------------|-------|---------|----------|----------|
| | Basic | | \$11,250 | \$12,750 |
| Spouse / equivalent to spouse | | \$9,555 | \$10,829 | \$11,466 |
| Age | | \$3,764 | \$4,679 | \$5,595 |

Low-income tax reduction: The threshold at which this reduction starts to be phased out will increase from \$20,000 in 2022 to \$20,750 in 2023 and \$21,500 in 2024.

Children's wellness tax credit: Starting 2024, this non-refundable tax credit for eligible activities (artistic, cultural, recreational, developmental or physical) will increase from \$500 to \$1,000, providing a benefit in 2024 of up to \$97 for each qualifying child.

Individuals

Quebec

| | Top combined rates | | | |
|------|--------------------|---------------|-----------|--------------|
| | Ordinary income | Capital gains | Dividends | |
| | | | Eligible | Non-eligible |
| 2022 | 53.31% | 26.65% | 40.11% | 48.70% |
| 2023 | 53.31% | 26.65% | 40.11% | 48.70% |

Quebec is the only jurisdiction that does not use the federal definition of taxable income.

| 2023 Quebec | | | |
|-----------------------|----------|-----------------|----------|
| Basic personal amount | \$17,183 | Indexing factor | 6.44% |
| Bracket | \$0 | \$49,275 | \$98,540 |
| Rate | 14% | 19% | 24% |

Effective federal rates are shown below, as reduced by the 16.5% "Quebec abatement."

| | | | | | |
|---------|--------|----------|-----------|-----------|-----------|
| Bracket | \$0 | \$53,359 | \$106,717 | \$165,430 | \$235,675 |
| Rate | 12.53% | 17.12% | 21.71% | 24.22% | 27.56% |

Highlights of changes

Personal tax system:

| Income tax rates | | 2022 | 2023 |
|------------------|--------|---------|--------|
| | | Highest | 25.75% |
| ↑ | | 20% | 19% |
| | Lowest | 15% | 14% |

The rate used to calculate the value of personal tax credits also decreased from 15% to 14% in 2023.

Refundable tax credit for senior assistance: The maximum amount per senior aged 70 and older increased for the 2022 taxation year to \$2,000 (from \$411, the indexed amount for 2022) and will no longer be indexed after 2022. Also, the 5% rate used to reduce the amount of the credit when family income exceeds certain thresholds will be revalued annually, starting in 2023.

Refundable tax credit for seniors' activities: This credit is eliminated in respect of registration or membership fees paid after December 31, 2022.

Quebec Pension Plan (QPP): Effective January 1, 2024, Quebec employees aged:

- 65 years or older may elect to stop paying QPP contributions, if they are receiving a QPP or Canada Pension Plan retirement pension
 - 73 years or older will no longer be required to pay QPP contributions
- Also, starting January 1, 2024, the maximum pension eligibility age will increase from 70 to 72 (which will allow for a further increase in the postponed retirement pension) and amendments to the QPP will ensure that years of low earnings starting at age 65 do not reduce the average earnings used to calculate the QPP base retirement pension.

Non-refundable tax credits for volunteer firefighters and search and rescue volunteers: Starting 2023, the amount for these credits will increase from \$3,000 to \$5,000 and will be indexed thereafter.

Labour-sponsored funds (LSFs): Changes:

- gradually increase the minimum holding period for a share of LSF, from 730 days (two years) to, for shares acquired after (i) May 31, 2024, three years, (ii) May 31, 2025, four years, and (iii) May 31, 2026, five years
- effective for shares of a LSF acquired after December 31, 2023, no longer allow the non-refundable tax credit for a LSF to be claimed by individuals with taxable income subject to the highest provincial tax rate for the base year (i.e. the second calendar year preceding the taxation year the credit is claimed [e.g. 2022 base year for a 2024 taxation year claim])

Critical mineral exploration tax credit (CMETC): Quebec's tax treatment for an individual claiming the federal CMETC will be the same as for the federal mineral exploration tax credit, therefore an amount received by an individual under the CMETC will not be included in the calculation of their income and will not reduce their cumulative Canadian exploration expenses account, for Quebec income tax purposes.

Trusts: Effective for taxation years ending after December 30, 2023, Revenu Québec will administer the Quebec version of the new federal reporting and filing requirements for trusts (see page 10); Quebec has harmonized with these new federal requirements (except for the amount of the new penalty). See our *Tax Insights* "New trust filing and information reporting rules are now enacted: Trustees need to be prepared" at www.pwc.com/ca/taxinsights.

Ownership transparency: Effective March 31, 2023, most Canadian and foreign businesses carrying on business in Quebec (including those operating as a partnership, trust or sole proprietorship) are required to disclose their "ultimate beneficiaries" to the Registraire des entreprises du Québec (REQ). Starting March 31, 2024, the REQ will be searchable by the public using the surname and first name of a natural person.

Cryptoasset compliance: Upon assent of the enacting legislation, Revenu Québec will be granted the power to ask taxpayers whether they own or have used virtual assets to carry out certain transactions, and to request the details of these transactions.

Individuals

Saskatchewan

| Top combined rates | | | | |
|--------------------|-----------------|---------------|-----------|--------------|
| | Ordinary income | Capital gains | Dividends | |
| | | | Eligible | Non-eligible |
| 2022 | | | | |
| 2023 | 47.50% | 23.75% | 29.64% | 41.82% |

| 2023 Saskatchewan | | | |
|-----------------------|----------|-----------------|-----------|
| Basic personal amount | \$17,661 | Indexing factor | 6.3% |
| Bracket | \$0 | \$49,720 | \$142,058 |
| Rate | 10.5% | 12.5% | 14.5% |

Highlights of changes

Dividends:

| | Non-eligible dividends | | | |
|---|------------------------|--------|--------|--------|
| | 2022 | 2023 | 2024 | 2025 |
| Dividend gross-up | 15% | | | |
| Dividend tax credit (on grossed-up dividend) | 1.695% | 2.105% | 2.938% | 3.362% |
| Top combined rate | 42.29% | 41.82% | 40.86% | 40.37% |

Saskatchewan mineral exploration tax credit: Effective January 1, 2023, the rate for this non-refundable tax credit has increased from 10% to 30% of eligible exploration expenses that have been allocated to investors using flow-through shares.

Tax administration: The Saskatchewan government intends to implement a framework for a new crown corporation, the Saskatchewan Revenue Agency (SRA). The SRA would be responsible for administering taxes and related programs in the province.

Land transfer tax: Effective July 29, 2023, Saskatchewan's land titles registration fee increased from 0.3% to 0.4% of the value of the transferred property.

Yukon

| Top combined rates | | | | |
|--------------------|-----------------|---------------|-----------|--------------|
| | Ordinary income | Capital gains | Dividends | |
| | | | Eligible | Non-eligible |
| 2022 | | | | |
| 2023 | 48.00% | 24.00% | 28.93% | 44.04% |

| 2023 Yukon | | | | |
|-----------------------|----------------------|-----------------|-----------|-----------|
| Basic personal amount | \$13,521 to \$15,000 | Indexing factor | 6.3% | |
| Bracket | \$0 | \$53,359 | \$106,717 | \$165,430 |
| Rate | 6.4% | 9% | 10.9% | 12.8% |

Individuals with taxable income:

- ≤ \$165,430 will qualify for the \$15,000 basic personal amount
- > \$165,430 will have the \$15,000 basic personal amount gradually reduced to \$13,521, as taxable income approaches \$235,675

Highlights of changes

No significant personal tax changes were announced.

Corporations

Corporate income tax rates

To compute rates for off-calendar year ends, refer to pages 24 to 33.
For income not earned in a province or territory, see page 19.

For non-resident corporations, the general and M&P rates in the table apply to business income attributable to a permanent establishment in Canada. Different rates may apply to non-residents in other circumstances. Non-resident corporations may also be subject to branch tax (see page 19).

Reduced federal rates apply to eligible income from qualified zero-emission technology manufacturing activities for taxation years beginning after 2021 and before 2035 (see page 24).

| | | Twelve-month taxation year ended December 31, 2023 | | |
|-------|---|--|--|-------------------|
| | | General and Manufacturing and Processing (M&P) (%) | Canadian-Controlled Private Corporations (CCPCs) (%) | |
| | | | Active business income earned in Canada to \$500,000 | Investment income |
| | Basic federal rate | | 38 | |
| | Provincial abatement | | -10 | |
| Less: | General rate reduction or M&P deduction | -13 | | n/a |
| | Small business deduction | | -19 | |
| Plus: | Refundable investment tax | n/a | n/a | 10.67 |
| | Federal rate | 15 | 9 | 38.67 |

The general and M&P rate does not apply to certain types of income. See page 24.

| | | Provincial/Territorial | Combined | Provincial/Territorial | Combined | Provincial/Territorial | Combined |
|----------------------------------|---------|------------------------|----------|------------------------|------------------|------------------------|----------|
| Alberta | | 8 | 23 | 2 | 11 | 8 | 46.67 |
| British Columbia | | 12 | 27 | 2 | 11 | 12 | 50.67 |
| Manitoba | | 12 | 27 | 0 | 9 | 12 | 50.67 |
| New Brunswick | | 14 | 29 | 2.5 | 11.5 | 14 | 52.67 |
| Newfoundland and Labrador | | 15 H | 30 | 3 H | 12 | 15 H | 53.67 |
| Northwest Territories | | 11.5 | 26.5 | 2 | 11 | 11.5 | 50.17 |
| Nova Scotia | | 14 | 29 | 2.5 H | 11.5 | 14 | 52.67 |
| Nunavut | | 12 | 27 | 3 | 12 | 12 | 50.67 |
| Ontario | General | 11.5 | 26.5 | | | 11.5 | 50.17 |
| | M&P | 10 | 25 | 3.2 | 12.2 | n/a | |
| Prince Edward Island | | 16 H | 31 | 1 H | 10 | 16 H | 54.67 |
| Quebec | | 11.5 H | 26.5 | 3.2 H | 12.2 | 11.5 H | 50.17 |
| Saskatchewan | General | 12 | 27 | | | 12 | 50.67 |
| | M&P | 10 | 25 | 0.5 ¹ | 9.5 ¹ | n/a | |
| Yukon | General | 12 | 27 | | | 12 | 50.67 |
| | M&P | 2.5 | 17.5 | 0 | 9 | n/a | |

Special rules apply to M&P income in Ontario (see page 30), and Saskatchewan (see page 32).

\$500,000 threshold (\$600,000 in Saskatchewan): This threshold is shared by associated CCPCs. It is reduced by the greater of:

- \$0.0125 (\$0.015 in Saskatchewan) for every \$1 of a CCPC's previous year's taxable capital employed in Canada (on an associated basis) over \$10 million (so that it is eliminated at \$50 million of taxable capital; for taxation years beginning before April 7, 2022, the threshold was eliminated at \$15 million of taxable capital); this clawback also applies to all provincial and territorial small business deductions, except that for Quebec, the \$10 million and \$50 million thresholds are based on paid-up capital (on an associated basis)
- \$5 (\$6 in Saskatchewan) for every \$1 of a CCPC's previous year's passive investment income (on an associated basis) over \$50,000 (so that the threshold is eliminated at \$150,000 of investment income); this reduction also applies to all provincial and territorial small business deductions, except for New Brunswick and Ontario

Income above \$500,000 (\$600,000 in Saskatchewan): A CCPC's active business income above this threshold is subject to the general and M&P rate.

Investment income: See Refundable Investment Tax on page 19 for more details.

H Tax holidays are available to certain corporations. See the table on page 20.

1. Saskatchewan's CCPC threshold is \$600,000. The combined rate that applies to active business income from \$500,000 to \$600,000 is 15.5%.

Corporations

Other federal tax rates (for December 31, 2023 year ends)

The federal rate is 25%, instead of 15% (see page 18).

| | Rate | Corporations affected | Description | Special rules |
|--|------------|--|--|---|
| Income not earned in a province or territory | 25% | All corporations | Income tax is calculated as follows: Basic federal rate 38% Less: General rate reduction - 13% Federal rate 25% | Corporate income not earned in a province or territory is neither: • eligible for the provincial abatement, nor • subject to provincial or territorial tax (exceptions apply) |
| Branch Tax | 25% | Non-resident corporations, except: • transportation, communications and iron-ore mining companies • insurers (other than in special circumstances) | Applies to after-tax profits from a business carried on in Canada, or from taxable capital gains on dispositions of property used in such a business, that are not invested in qualifying property in Canada. | The 25% rate may be reduced by the relevant tax treaty (generally to the withholding tax rate on dividends, which is usually 5%, 10% or 15%). Some treaties prohibit the imposition of branch tax or provide that the tax is payable only on earnings exceeding a threshold. |
| Part III.1 Tax on Excess Eligible Dividend Designations | 20% or 30% | Canadian-resident corporations | Applies if: • a CCPC has designated as eligible dividends during the year an amount that exceeds the corporation's general rate income pool (GRIP) at the end of the year, or • a non-CCPC pays an eligible dividend when it has a positive balance in its low rate income pool (LRIP) | A corporation subject to Part III.1 tax at the 20% rate (i.e. the excess designation was inadvertent) can elect, with shareholder concurrence, to treat all or part of the excess designation as a separate non-eligible dividend, in which case Part III.1 tax will not apply to the amount that is the subject of the election. |
| Refundable Part IV Tax | 38-1/3% | Private corporations Certain public corporations | Payable on taxable dividends received from certain taxable Canadian corporations, and some dividends from certain foreign affiliates. | Refundable to the corporation through the refundable dividend tax on hand (RDTOH) mechanism at a rate of 38-1/3% of taxable dividends paid. |
| Refundable Investment Tax | 10-2/3% | Canadian-controlled private corporations (CCPCs) Substantive CCPCs | Increases the total federal rate that applies to investment income of a CCPC or substantive CCPC to 38.67% (see page 18). Generally, 30-2/3% of the corporation's aggregate investment income is added to its non-eligible RDTOH. | |
| Part VI Financial Institutions Capital Tax | 1.25% | Banks Trust and loan corporations Life insurance companies | Applies if capital employed in Canada is over the \$1 billion capital deduction for the year. The capital deduction is shared by related corporations. | Reduced by the corporation's federal income tax liability and the Canada Recovery Dividend (see below) required to be paid for the year. Any unused federal income tax liability can be applied to reduce Financial Institutions Capital Tax for the previous three years and the next seven. |
| Part VI.2 Canada Recovery Dividend | 15% | Banks Life insurance companies Financial institutions related to the bank or life insurance company | One-time tax that applied on the average of taxable income for taxation years ending in 2020 and 2021 over \$1 billion. The exemption is shared by related corporations. The tax liability is imposed in the 2022 taxation year, but is payable in equal amounts over five years (i.e. included in the 2022 through 2026 federal tax filings). | A proration rule applies to the taxable income for short taxation years ending in 2020 and 2021. |
| Additional tax on banks and life insurers | 1.5% | | For taxation years ending after April 7, 2022, applies on taxable income over \$100 million. The exemption is shared by related corporations. | For a taxation year that includes April 7, 2022, the additional tax is pro-rated based on the number of days in the taxation year after April 7, 2022. |

Eligible dividends paid by a CCPC or, for taxation years ending after April 6, 2022, a substantive CCPC, will produce a refund (at the 38-1/3% rate) only to the extent of its "eligible RDTOH account," that will include Part IV tax paid on eligible dividends from non-connected corporations and on taxable dividends from connected corporations to the extent the dividend generated a refund from the connected corporation's eligible RDTOH account.

The refundable portion of the corporation's other investment income, and the portion of Part IV tax on dividends from connected corporations that is not included in the eligible RDTOH account, is added to its "non-eligible RDTOH account," which is refunded to the extent of 38-1/3% of non-eligible dividends paid by the corporation (if this calculated amount exceeds the non-eligible RDTOH account, the excess can then recover any remaining eligible RDTOH account balance).

For taxation years ending generally after April 6, 2022, it is proposed that a private corporation resident in Canada that is not a CCPC and that is controlled, directly or indirectly in any manner whatever, by one or more Canadian resident individuals (or would, if each share of a corporation that is owned by a Canadian resident individual were owned by a particular individual, be controlled by the particular individual) is considered a "substantive CCPC" and is treated similarly to a CCPC for purposes of its investment income taxation.

Corporations

Income tax deadlines and provincial income tax holidays

Income tax deadlines

CCPCs can pay federal and Quebec instalments on the last day of months 3, 6, 9 and 12 of the taxation year, if certain conditions are met.

Two \$3,000 thresholds apply; one for federal purposes and the other for all provinces and territories combined, except Alberta and Quebec.

Federal balance due deadlines also apply to Part IV tax (see page 19). However, no Part IV tax instalments are required.

Federal income tax payments include payments for:

- Financial Institutions Capital Tax (see page 19)
- Tax on Corporations Paying Dividends on Taxable Preferred Shares
- Additional Tax on Authorized Foreign Banks

| General rule | Instalment deadline Last day of each month | Balance due deadline 2 months after year end | Filing deadline 6 months after year end |
|---|---|---|--|
| Federal All jurisdictions except Alberta and Quebec | Waived if total tax ¹ ≤ \$3,000 | 3 months after the year end, if the corporation: • was a CCPC throughout the current year, • claimed the small business deduction, ¹ and • had taxable income, on an associated basis, in taxation years ending in the previous calendar year ≤ the total business limit for those taxation years | No exceptions |
| Alberta | Waived if Alberta income tax ¹ ≤ \$2,000 or CCPC qualifies for extended balance due deadline | 3 months for CCPCs that: • claimed Alberta's small business deduction, and • had taxable income ≤ \$500,000 | |
| Quebec | Waived if Quebec income tax ¹ ≤ \$3,000 | | |

1. In current or previous year.

Provincial income tax holidays

Other restrictions may apply.

This tax holiday may be extended beyond December 31, 2022.

| | Eligible corporations | Holiday | Income not taxed each year |
|----------------------------------|---|--|---|
| Newfoundland and Labrador | Companies meeting job creation and other conditions | Outside Northeast Avalon region Full holiday for 15 years | Income attributable to new or expanded business |
| | | In Northeast Avalon region Full holiday for 10 years | |
| Nova Scotia | CCPCs incorporated after April 24, 1992 | For 3 years | \$500,000 of active business income |
| Prince Edward Island | Aerospace and defence-related firms | To December 31, 2022 | Income attributable to PEI operations |
| | Advanced marine technology companies that apply before June 30, 2025 | For 10 years | |
| Quebec | Businesses that carry out a large investment project of at least \$100 million in Quebec | before March 22, 2023 For 15 years | 15% of eligible investment expenditures |
| | | after March 21, 2023 For 10 years | 15%, 20% or 25% of eligible investment expenditures |
| | Companies incorporated in Canada after March 19, 2009, and before April 1, 2014, that commercialize intellectual property developed by Quebec universities or public research centres | For 10 years | No limit |

An additional 50% federal tax rebate also applies.

This threshold is equal to the federal small business limit (see page 18).

Depends on the economic vitality of the territory the project is located.

The initial application must be submitted after March 21, 2023 and before January 1, 2030. The \$100 million minimum investment threshold for a project must be reached within a 48-month period and the maximum cumulative total eligible expenditures for a project is \$1 billion.

The initial application must be submitted after November 20, 2012, and before March 22, 2023. The minimum investment threshold was \$200 million for projects that began before February 11, 2015. For projects that begin after February 10, 2015, the \$100 million threshold was reduced to \$75 million, and for initial qualification certificate applications filed after March 21, 2019, to \$50 million, if 90% or more of:

- total investments are carried out in a "designated region," and
- the resulting activities are carried out in the "designated region" for the entire tax holiday

Corporations

Provincial M&P investment tax credits

For federal tax purposes, M&P investment tax credits are considered government assistance and reduce the capital cost of the M&P asset.

Alberta's credit was claimed by corporations acquiring capital property used primarily for M&P or operating tourism infrastructure with a total minimum value of \$1 million. The maximum annual credit was \$5 million.

Newfoundland and Labrador's credit can be claimed by corporations in the M&P, fishery, farming and forestry sectors for eligible property used in qualified activities. The property must be eligible for the federal Atlantic investment tax credit.

Nova Scotia's credit can be claimed by corporations primarily in the M&P, farming, fishing and logging sectors for capital equipment that is part of a capital project that has a total cost exceeding \$15 million.

Ontario's credit can be claimed by qualifying CCPCs that incur eligible expenditures for certain buildings, machinery and equipment used primarily for M&P in Ontario. The maximum annual credit is \$2 million. See page 30 for more details.

In Quebec, for the tax credit for investments in M&P equipment:

- a cumulative limit of \$75 million of eligible investments qualifies for this credit at rates above the base rate (i.e. 4% or 5%) and/or refundability
- up to an additional 10% tax credit may be available for M&P equipment acquired by qualifying small- and medium-sized enterprises before June 5, 2014
- the expenses eligible for this credit are reduced by an exclusion threshold of \$12,500 for each qualified property, generally for qualified property acquired after December 2, 2014
- qualified property acquired only in the "remote zones," "eastern part of the Bas-Saint-Laurent administrative region" and "intermediate zones" are eligible for this credit, for eligible expenses incurred after December 31, 2016 (qualified property also includes property acquired for use in Quebec, but outside a resource region for eligible expenses incurred after August 15, 2018 and before January 1, 2020)
- in some cases, the enhanced "5% to 45%" rates are extended to certain qualified properties acquired before January 1, 2021

This credit has been replaced by the tax credit for investments and innovation (C3i), which applies for specified property generally acquired after March 10, 2020. However, a corporation may, under certain conditions, elect to receive this credit, instead of the C3i tax credit.

An additional 25% credit may be claimed in PEI by export-focused corporations.

Manitoba's refundable portion of the credit was 70% for qualified property acquired before July 1, 2013.

| | Rate | For M&P property acquired | | Carry-back | Carry-forward | Refundable |
|----------------------------------|-----------------|---------------------------|------------------|------------|---------------|---------------|
| | | After | Before | | | |
| Alberta | 10% | December 31, 2016 | October 24, 2019 | No | 10 years | No |
| Manitoba | 10% | March 11, 1992 | April 12, 2017 | 3 years | 10 years | 80% |
| | 9% | April 11, 2017 | July 1, 2019 | | | 88.89% |
| | 8% | June 30, 2019 | No cut-off | | | 87.5% |
| Newfoundland and Labrador | 10% | April 6, 2022 | No cut-off | 3 years | 20 years | 40% for CCPCs |
| Nova Scotia | 15% | December 31, 2014 | October 1, 2022 | n/a | | 100% |
| | 25% | September 30, 2022 | January 1, 2030 | | | |
| Ontario | 10% | March 22, 2023 | No cut-off | n/a | | 100% |
| Prince Edward Island | 10% | December 31, 1992 | No cut-off | | 7 years | No |
| Quebec | 5% to 40% | March 13, 2008 | June 5, 2014 | 3 years | 20 years | Sometimes |
| | 4% to 32% | June 4, 2014 | January 1, 2017 | | | |
| | 4% to 24% | December 31, 2016 | August 16, 2018 | | | |
| | 5% to 45% | August 15, 2018 | January 1, 2020 | | | |
| | 4% to 24% | December 31, 2019 | January 1, 2023 | | | |
| | 10%, 15% or 20% | March 10, 2020 | March 26, 2021 | 3 years | 20 years | Sometimes |
| 20%, 30% or 40% | March 25, 2021 | January 1, 2024 | | | | |
| | 10%, 15% or 20% | December 31, 2023 | January 1, 2025 | | | |
| Saskatchewan | 6% | March 22, 2017 | No cut-off | n/a | | 100% |

Cannot be carried back to a taxation year ending before April 7, 2022.

Depends on level of consolidated paid-up capital.

Depends on level of consolidated assets and gross income.

Quebec's credit for investments and innovation (C3i) can be claimed by corporations acquiring manufacturing or processing and computer equipment, or certain management software packages on eligible expenses exceeding a threshold. Maximum cumulative eligible expense limit of \$100 million (on an associated basis) in a 48-month period.

Cannot be carried back to a taxation year ending before March 11, 2020.

Corporations

Payroll tax rates

Registered charities and non-profit organizations are eligible for higher exemption thresholds.

The thresholds at which employers are subject to Manitoba's payroll tax will increase on January 1, 2024. See page 27 for details.

The thresholds at which employers are subject to Newfoundland and Labrador's payroll tax was \$1.3 million before January 1, 2023.

In the Northwest Territories and Nunavut, payroll tax is paid by employees through payroll withholdings.

Registered charities can claim the exemption regardless of their payroll.

The threshold above which the 4.26% rate applies is indexed after 2022.

Associated employers must aggregate their payroll costs to apply the thresholds.

| | | Rate | Total payroll | Payroll tax |
|---------------------------|---|----------------|----------------------------|--------------------------------|
| British Columbia | Employer Health Tax | 1.95% | Over \$1,500,000 | Payroll x 1.95% |
| | | 2.925% | \$500,000 to \$1,500,000 | (Payroll – \$500,000) x 2.925% |
| | | 0% | \$0 to \$500,000 | \$0 |
| Manitoba | Health and Post-Secondary Education Tax | 2.15% | Over \$4,000,000 | Payroll x 2.15% |
| | | 4.3% | \$2,000,000 to \$4,000,000 | (Payroll – \$2,000,000) x 4.3% |
| | | 0% | \$0 to \$2,000,000 | \$0 |
| Newfoundland and Labrador | | 2% | Over \$2,000,000 | (Payroll – \$2,000,000) x 2% |
| | | 0% | \$0 to \$2,000,000 | \$0 |
| Northwest Territories | Payroll tax | 2% | Over \$0 | Payroll x 2% |
| Nunavut | | 1.95% | Over \$5,000,000 | Payroll x 1.95% |
| | | 0% | \$0 to \$1,000,000 | \$0 |
| Quebec | Health Services Fund | 4.26% | Over \$7,200,000 | Payroll x rate |
| | | Reduced rates | \$1,000,000 to \$7,200,000 | |
| | | 1.25% or 1.65% | \$0 to \$1,000,000 | |

Reduced rates for employers with annual payrolls between \$1 million and \$7.2 million depend on both the calendar year and the employer's total payroll.

Every Quebec employer with a payroll exceeding \$2 million must allot at least 1% of payroll to training; or contribute the shortfall to a provincial fund. In limited cases, corporations may be exempt from contributing to the Health Services Fund and refunds may be made. Financial institutions (excluding insurers) may also be subject to a compensation tax on payroll. See page 31.

Employees, employers and the self-employed must contribute to the Quebec Parental Insurance Plan (QPIP) (see page 34) and individuals may be required to contribute to the Quebec Health Services Fund.

Corporations

Financial institutions capital tax rates and deadlines

See *Insurance industry: Key tax rates and updates* at www.pwc.com/ca/insurancekeytaxrates for rates that apply to insurance companies.

Associated or related corporations may be required to share the exemption.

See page 19 for more information.

| | | Twelve-month taxation year ended December 31, 2023 | | Instalment deadlines | Balance due and filing deadlines |
|---|---|--|--|---|--|
| | | Rate | Exemption | | |
| Federal (Part VI Financial Institutions Capital Tax) | | 1.25% | \$1 billion | Same as federal income tax (page 20) | |
| Manitoba | If taxable paid-up capital < \$4 billion ¹ | Nil | n/a | 15 th day of months 3, 6, 9 and 12 of the year (Waiver if capital tax ² ≤ \$5,000) | 6 months after year end |
| | If taxable paid-up capital ≥ \$4 billion ¹ | 6% | Nil | | |
| New Brunswick | Trust and loan corporations | 4% | \$10 million | 20 th day of each month | |
| | Banks | 5% | | | |
| Newfoundland and Labrador | If taxable capital ≤ \$10 million ¹ | 6% | \$5 million | Same as federal income tax (page 20) | |
| | If taxable capital > \$10 million ¹ | | Nil | | |
| Nova Scotia | Trust and loan corporations – Head office in NS | 4% | \$30 million | | |
| | Other | | If taxable capital ≤ \$10 million ¹ | | \$5 million |
| | | | If taxable capital > \$10 million ¹ | | Nil |
| Prince Edward Island | | 5% | \$2 million | | 20 th day of each month |
| Saskatchewan | If taxable paid-up capital ≤ \$1.5 billion ¹ | 0.7% | Up to \$20 million | Last day of each month (Waiver if capital tax for current year ≤ \$4,800) | Last day of 6 th month after year end |
| | If taxable paid-up capital > \$1.5 billion ¹ | 4% | | | |

If, in the taxation year ending after October 31, 2008, and before November 1, 2009, taxable paid-up capital < \$1.5 billion, 0.7% applies for subsequent taxation years to the first \$1.5 billion of taxable paid-up capital.

For example, in Saskatchewan the balance payable would be due June 30 for a December 15 year end.

1. The threshold applies to an associated or related group of corporations.
2. In current or previous year.

Corporations

Key tax changes

Federal

The general and M&P rate does not apply to certain corporations (e.g. mutual fund corporations, mortgage investment corporations and investment corporations).

| Income tax rates (for December 31, 2023 year ends) | | | Other 2023 rates | |
|---|-------------------------------------|-------------------|------------------|-------------|
| General and M&P | CCPC | | Sales tax | Payroll tax |
| | Active business income to \$500,000 | Investment income | | |
| 15% | 9% | 38.67% | 5% GST | None |

For CPP and EI premiums, see page 34.

Some of the key tax changes related to individuals also affect corporations. See pages 9 and 10.

Reduced rates apply to qualified zero-emission technology manufacturing activities income for taxation years beginning after 2021 and before 2035 (see below).

Because the federal government is in a minority, it is uncertain whether federal tax changes that have not been enacted into law will proceed. At the publication date, many 2023 federal budget measures had not been enacted. See our *Tax Insights* "2023 Federal budget: Supporting a clean economy" at www.pwc.com/ca/budget for more information on many of the changes discussed below.

Corporate income tax changes

The 50% reduced rates, which were originally available until 2028, have been extended by three years to 2031, with the same three-year phase-out period.

| Effective date | Taxation years beginning | Qualified zero-emission technology manufacturing income | |
|----------------|--------------------------|---|-----------|
| | | General rate | CCPC rate |
| | before 2022 | 15% | 9% |
| | in 2022 to 2031 | 7.5% | 4.5% |
| | in 2032 | 9.375% | 5.625% |
| | in 2033 | 11.25% | 6.75% |
| | in 2034 | 13.125% | 7.875% |
| | after 2034 | 15% | 9% |

To qualify for the lower tax rates, at least 10% of the company's gross revenues from all active businesses carried on in Canada must be derived from qualified zero-emission technology manufacturing activities. For taxation years beginning after 2023, the lower tax rates also apply to income from certain nuclear M&P activities.

Additional highlights

Tax on equity repurchases: For repurchases of equity that occur after December 31, 2023, a 2% tax will apply on the net value of equity repurchased in a taxation year by a Canadian resident public corporation, other than a mutual fund corporation. The tax also applies to certain other publicly listed entities:

- real estate investment trusts
- specified investment flow through (SIFT) trusts and partnerships
- entities that would be a SIFT trust or partnership, if their assets were located in Canada

The tax will not apply to an entity if it repurchased less than \$1 million of equity in a taxation year (determined on a gross basis).

"Green" investment tax credits: Businesses can claim new refundable investment tax credits (ITCs) for:

- clean technology adoption, as follows:

| Eligible new property acquired and becomes available for use | Rate | |
|--|--------------------------------------|------------------------|
| | after March 27, 2023 and before 2034 | in 2034 and after 2034 |
| | 30% | 15% |
| | | 0% |

Eligible property includes equipment that generates heat or electricity from non-emitting sources (e.g. solar, wind, water, nuclear or geothermal energy), electricity storage equipment, non-road zero-emission vehicles and charging or refueling equipment.

Starting October 1, 2023, certain labour requirements (i.e. prevailing wages, apprenticeships) must be met to qualify for the full ITC rate; otherwise, the rate is reduced to 20% before 2034 and 5% in 2034.

- clean hydrogen production, as follows:

Starting October 1, 2023, certain labour requirements (i.e. prevailing wages, apprenticeships) must be met to qualify for the full ITC rate; otherwise, the rate is reduced by 10 percentage points.

| Assessed carbon intensity of hydrogen produced | | Eligible expenses incurred | | |
|--|-------------------|--------------------------------------|---------|------------|
| | | after March 27, 2023 and before 2034 | in 2034 | after 2034 |
| | < 0.75kg | 40% | 20% | 0% |
| | ≥ 0.75kg to < 2kg | 25% | 12.5% | |
| | ≥ 2 kg to < 4kg | 15% | 7.5% | |

Eligible expenses must relate to the purchase and installation of eligible equipment that produces hydrogen from electrolysis or natural gas (so long as emissions are abated using carbon capture, utilization and storage [CCUS]) and becomes available for use before 2034. Property required to convert clean hydrogen to clean ammonia would also be eligible, at the lowest credit rate.

- clean technology manufacturing, as follows:

Eligible property includes certain depreciable property (machinery and equipment, certain industrial vehicles and related control systems) that is used for clean technology manufacturing and processing or critical mineral extraction and processing.

| Eligible new property acquired and becomes available for use | Rate | |
|--|-----------------|------------------------|
| | in 2024 to 2031 | in 2032 and after 2034 |
| | 30% | 20% |
| | | 10% |
| | | 5% |
| | | 0% |

- clean electricity generation, distribution and interprovincial transmission, which is proposed to be effective the day of the 2024 federal budget to 2034, for projects that did not begin construction before March 28, 2023. The ITC rate will be 15% and certain labour requirements must be met to qualify for the 15% rate; otherwise, the rate will be reduced to 5%. The credit is available to taxable and non-taxable entities. Further details to be announced at a later date.

Businesses can claim only one of these new ITCs or the CCUS ITC (see page 25) for the same expenses or property (exceptions apply). See our *Tax Insights* "Finance releases draft legislation for the clean technology and CCUS investment tax credits" at www.pwc.com/ca/taxinsights.

Corporations

Investment tax credit for carbon capture, utilization and storage (CCUS): Further design details in respect of this credit:

- allow certain dual use heat and/or power and water use equipment to be eligible for the credit
- add British Columbia as an eligible jurisdiction for dedicated geological storage
- require a qualified third party to validate that the process for CO₂ storage in concrete is an eligible use evaluated under ISO 14034:2016 (instead of obtaining approval from Environment and Climate Change Canada)
- introduce a recovery calculation in respect of refurbishment property

Also, starting October 1, 2023, certain labour requirements must be met to qualify for the full tax credit rate; otherwise, the rates are reduced by 10 percentage points. See our *Tax Insights* “Finance releases draft legislation for the clean technology and CCUS investment tax credits” at www.pwc.com/ca/taxinsights.

Dividend received deduction by financial institutions: A new rule prevents financial institutions from claiming a “dividends received deduction” for dividends received after 2023 on shares that are mark-to-market properties (which are generally portfolio shareholdings).

Tax treatment of credit unions: Effective January 1, 2016, the definition of a “credit union” for income tax and GST/HST purposes will be amended to accommodate that most credit unions currently operate as full-service financial institutions; this includes eliminating a certain “revenue test” from the definition.

International Financial Reporting Standard for insurance contracts (IFRS 17): In response to this new accounting standard, effective January 1, 2023, new taxation measures include:

- limiting the deductibility of a new insurance reserve, the contractual services margin, in varying degrees, depending on the type of insurance
 - providing a five year transition period on the remeasurement of insurance reserves under IFRS 17 and investment assets under IFRS 9 (Financial Instruments)
 - changing the tax base for purposes of Part VI Financial Institutions Capital Tax
- See our *Tax Insights* “Finance releases draft legislative proposals: Taxation of insurance contracts under IFRS 17” at www.pwc.com/ca/taxinsights.

Common Reporting Standard (CRS): Amendments to the CRS:

- require financial institutions to include additional information in their annual CRS reporting
- align the CRS with the new Crypto-Asset Reporting Framework (CARF), and include crypto-assets in relevant CRS definitions

Participating jurisdictions, including Canada, will need to agree to these amendments and update their domestic legislation to implement them. See our *Tax Insights* “OECD releases amendments to the Common Reporting Standard” at www.pwc.com/ca/taxinsights.

International tax reform: Canada remains committed to adopting the OECD/G20 two-pillar plan to reform the international tax system:

- Pillar One – new rules for allocating taxing rights between countries that will generally apply to multinational enterprises (MNEs) with annual revenue above €20 billion (expected to be reduced to €10 billion after 7 years) and profit margins above 10%. A multilateral convention to implement these rules is being developed. If they do not come into force by January 1, 2024, Canada intends to impose a Digital Services Tax that would apply in respect of revenues earned as of January 1, 2022.
- Pillar Two – a 15% global minimum tax that will generally apply to MNEs with global revenues of at least €750 million. The federal government has released draft legislation on Pillar Two’s Canadian implementation. The primary charging rule (the Income Inclusion Rule) and Canada’s domestic minimum top-up tax will come into effect for fiscal years of MNEs that begin after December 30, 2023; the backstop charging rule (the UTPR) will come into effect for fiscal years of MNEs that begin after December 30, 2024.

See our:

- *Tax Insights* at www.pwc.com/ca/taxinsights:
 - “Digital Services Tax: One step closer to becoming a reality”
 - “Canada releases draft *Global Minimum Tax Act*”
- Tax policy bulletins at www.pwc.com/gx/en/services/tax/publications/tax-policy-bulletin.html

Excessive interest and financing expenses limitation (EIFEL) regime: For taxation years beginning after September 30, 2023, new rules will limit the amount of net interest and financing expenses that certain taxpayers may deduct in computing their taxable income, based on a fixed percentage of earnings before interest, taxes, depreciation and amortization. These rules were originally proposed to be effective for taxation years beginning after 2022, but revised draft rules deferred their implementation. See our *Tax Insights* “Updated legislation: Excessive interest and financing expenses limitation (EIFEL) regime (August 2023 release)” at www.pwc.com/ca/taxinsights.

Transfer pricing: The federal government has released a consultation paper to gather stakeholder input on various questions and proposals related to Canada’s transfer pricing legislation. See our *Tax Insights* “Finance launches consultation on reforming and modernizing Canada’s transfer pricing rules” at www.pwc.com/ca/taxinsights.

Electronic filing (e-filing): E-filing is required for:

- taxation years beginning after 2023 (previously, corporations with annual gross revenues of \$1 million or less were not required to e-file); e-filing is not required for certain corporations (e.g. an insurance corporation, a non-resident corporation)
- information returns, if more than five (down from 50) returns are submitted annually, effective for information returns filed after 2023

Corporations

Corporate beneficial ownership registry: The federal government is expected to implement a publicly accessible beneficial ownership registry of federally governed privately held corporations. See our *Insights* “Federal government enhances corporate ownership transparency” at www.pwc.com/ca/tax-law-publications.

Canada Border Services Agency (CBSA) Assessment and Revenue Management (CARM): Canadian-resident and non-resident businesses that import goods into Canada and their trade chain partners that interact with the CBSA are required to participate in (and register with) CARM before Release 2 is implemented (which is expected to occur in May 2024). Importers that do not participate will be prohibited from importing goods into Canada. See our *Tax Insights* “Businesses importing goods into Canada must register for CARM – Action required!” (August 29, 2023 update) at www.pwc.com/ca/taxinsights.

Carbon tax: The federal fuel charge that applies in certain provinces and territories that do not have their own carbon tax programs (or the programs do not meet federal standards) increased from \$50 per carbon dioxide equivalent (CO₂e) tonne to \$65 on April 1, 2023, and will increase by \$15 per CO₂e tonne on April 1 of each year until it reaches \$170 per CO₂e tonne on April 1, 2030.

Alberta

| Income tax rates (for December 31, 2023 year ends) | | | Other 2023 rates | |
|---|-------------------------------------|-------------------|------------------|-------------|
| General and M&P | CCPC | | Sales tax | Payroll tax |
| | Active business income to \$500,000 | Investment income | | |
| 8% | 2% | 8% | 5% GST | None |
| 23% | 11% | 46.67% | | |

For CPP and EI premiums, see page 34.

Figures in **bold** are combined federal/provincial rates.

Highlights of changes

Agri-processing investment tax credit: Eligible corporations can claim this new non-refundable tax credit of 12% of eligible capital expenditures of at least \$10 million made after February 6, 2023, to build or expand agri-processing facilities in Alberta; unused credits can be carried forward 10 years.

Corporations

British Columbia

| Income tax rates (for December 31, 2023 year ends) | | | Other 2023 rates | |
|---|-------------------------------------|-------------------|------------------|--------------------------------|
| General and M&P | CCPC | | Sales tax | Payroll tax |
| | Active business income to \$500,000 | Investment income | | |
| 12% | 2% | 12% | 7% PST | Nil to 2.925% (see page 22) |
| 27% | 11% | 50.67% | 12% | |

For CPP and EI premiums, see page 34.

Figures in **bold** are combined federal/provincial rates.

Highlights of changes

Film incentive BC tax credit: Starting April 1, 2023, corporations must submit a completion certificate (an eligibility certificate is no longer sufficient) with their corporate tax return for productions completed in the tax year when filing their final-year claims for this credit.

BC production services tax credit: Production companies that incurred their first-accredited BC labour expenditure for this credit after June 30, 2020 will be allowed to claim labour expenditures incurred up to 120 days (but not more than 120 days) before the pre-certification form submission date, irrespective of any late filing.

Interactive digital media tax credit: This credit is extended by five years to August 31, 2028.

Farmers' food donation tax credit: This credit is extended by three years to December 31, 2026.

Corporate beneficial ownership registry: A publicly accessible beneficial ownership registry of privately held BC corporations is expected to be launched in 2025.

Carbon tax: Effective April 1, 2024, large industrial carbon emitters will be subject to a made-in-BC output-based pricing system (OBPS) for emissions that exceed performance-based emissions limits (instead of being subject to the province's carbon tax). Opt-in to the OBPS will be possible for operations that do not meet the OBPS threshold.

Land transfer tax: See page 11 for changes relating to the property transfer tax that applies to purchases of new qualifying purpose-built rental buildings.

Manitoba

| Income tax rates (for December 31, 2023 year ends) | | | Other 2023 rates | |
|---|-------------------------------------|-------------------|------------------|------------------------------|
| General and M&P | CCPC | | Sales tax | Payroll tax |
| | Active business income to \$500,000 | Investment income | | |
| 12% | 0% | 12% | 7% PST | Nil to 4.3% (see page 22) |
| 27% | 9% | 50.67% | 12% | |

For CPP and EI premiums, see page 34.

Figures in **bold** are combined federal/provincial rates.

Highlights of changes

Health and post-secondary education tax: Effective January 1, 2024, the thresholds at which employers are subject to this payroll tax will increase, as follows:

| Rate | Before January 1, 2024 | | After December 31, 2023 | |
|-------|----------------------------|--------------------------------|----------------------------|--------------------------------|
| | Total payroll ¹ | Payroll tax | Total payroll ¹ | Payroll tax |
| 2.15% | Over \$4,000,000 | Payroll x 2.15% | Over \$4,500,000 | Payroll x 2.15% |
| 4.3% | \$2,000,000 to \$4,000,000 | (Payroll - \$2,000,000) x 4.3% | \$2,250,000 to \$4,500,000 | (Payroll - \$2,250,000) x 4.3% |
| 0% | \$0 to \$2,000,000 | \$0 | \$0 to \$2,250,000 | \$0 |

1. Associated employers must aggregate their payroll costs to apply the thresholds.

The Manitoba government has stated that, if fiscal updates later in 2023 show better than expected revenue performance, the tax levy rates for 2024 could decrease from 2.15% to 2% and from 4.3% to 4%.

Interactive digital media tax credit: Effective April 1, 2023, eligible labour expenditures for this credit have been expanded to allow for more flexible forms of employee compensation and incentives; however, certain labour expenditures (e.g. bonuses tied to profits or revenues, stock options and signing bonuses) remain ineligible for the credit.

Green energy equipment tax credit: This credit, which was scheduled to expire on June 30, 2023, is made permanent.

Corporations

New Brunswick

| Income tax rates (for December 31, 2023 year ends) | | | Other 2023 rates | |
|---|-------------------------------------|-------------------|------------------|-------------|
| General and M&P | CCPC | | Sales tax | Payroll tax |
| | Active business income to \$500,000 | Investment income | | |
| 14% | 2.5% | 14% | 15% HST | None |
| 29% | 11.5% | 52.67% | | |

For CPP and EI premiums, see page 34.

Figures in **bold** are combined federal/provincial rates.

Highlights of changes

Carbon tax: Starting July 1, 2023, the federal fuel charge applies in New Brunswick, instead of the province's own carbon tax. New Brunswick continues to apply its own pollution pricing system for large industrial emitters.

Newfoundland and Labrador

| Income tax rates (for December 31, 2023 year ends) | | | Other 2023 rates | |
|---|-------------------------------------|-------------------|------------------|----------------------------|
| General and M&P | CCPC | | Sales tax | Payroll tax |
| | Active business income to \$500,000 | Investment income | | |
| 15% H | 3% H | 15% | 15% HST | Nil or 2% (see page 22) |
| 30% | 12% | 53.67% | | |

For CPP and EI premiums, see page 34.

Figures in **bold** are combined federal/provincial rates.
H = Tax holiday (see page 20).

Highlights of changes

Health and post-secondary education tax: Effective January 1, 2023, the thresholds at which employers are subject to this payroll tax increased, as follows:

| Rate | Before January 1, 2023 | | After December 31, 2022 | |
|------|----------------------------|------------------------------|----------------------------|------------------------------|
| | Total payroll ¹ | Payroll tax | Total payroll ¹ | Payroll tax |
| 2% | Over \$1,300,000 | (Payroll - \$1,300,000) x 2% | Over \$2,000,000 | (Payroll - \$2,000,000) x 2% |
| 0% | \$0 to \$1,300,000 | \$0 | \$0 to \$2,000,000 | \$0 |

1. Associated employers must aggregate their payroll costs to apply the thresholds.

All spend film and video production tax credit: The rate for this tax credit has increased from 30% to 40% of total qualified production costs, retroactive to April 7, 2022 (i.e. the date the credit was announced). The maximum annual tax credit is \$10 million per project.

Carbon tax: Starting July 1, 2023, the federal fuel charge applies in Newfoundland and Labrador, instead of the province's own carbon tax. Newfoundland and Labrador continues to apply its own pollution pricing system for large industrial emitters.

Corporations

Northwest Territories

| Income tax rates (for December 31, 2023 year ends) | | | Other 2023 rates | |
|---|-------------------------------------|-------------------|------------------|---------------------|
| General and M&P | CCPC | | Sales tax | Payroll tax |
| | Active business income to \$500,000 | Investment income | | |
| 11.5% | 2% | 11.5% | 5% GST | 2% (see page 22) |
| 26.5% | 11% | 50.17% | | |

For CPP and EI premiums, see page 34.

Figures in **bold** are combined federal/provincial rates.

Paid by employees.

Highlights of changes

No significant corporate tax changes were announced.

Nova Scotia

| Income tax rates (for December 31, 2023 year ends) | | | Other 2023 rates | |
|---|-------------------------------------|-------------------|------------------|-------------|
| General and M&P | CCPC | | Sales tax | Payroll tax |
| | Active business income to \$500,000 | Investment income | | |
| 14% | 2.5% H | 14% | 15% HST | None |
| 29% | 11.5% | 52.67% | | |

For CPP and EI premiums, see page 34.

Figures in **bold** are combined federal/provincial rates.
H = Tax holiday (see page 20).

Highlights of changes

Capital investment tax credit:

- This credit is extended by five years to qualified property acquired before January 1, 2030.
- For qualified property acquired after September 30, 2022, enhancements to this credit increase:
 - the tax credit rate from 15% to 25%, and
 - the maximum tax credit amount available for each approved project from \$30 million to \$100 million for the duration of the project

Beneficial ownership register: Effective April 1, 2023, private companies (limited and unlimited) governed by Nova Scotia's Companies Act are required to maintain a register of individuals with "significant control" over the company. See our *Insights* "New reporting requirements for Nova Scotia ULCs: Large penalties for non-compliance" at www.pwc.com/ca/tax-law-publications.

Carbon tax: Nova Scotia's cap and trade system has been replaced with:

- the province's new pollution pricing system for large industrial emitters, starting January 1, 2023
- the federal fuel charge, starting July 1, 2023

Corporations

Nunavut

| Income tax rates (for December 31, 2023 year ends) | | | Other 2023 rates | |
|---|-------------------------------------|-------------------|------------------|---------------------|
| General and M&P | CCPC | | Sales tax | Payroll tax |
| | Active business income to \$500,000 | Investment income | | |
| 12% | 3% | 12% | 5% PST | 2% (see page 22) |
| 27% | 12% | 50.67% | | |

For CPP and EI premiums, see page 34.

Figures in **bold** are combined federal/provincial rates.

Paid by employees.

Highlights of changes

No significant corporate tax changes were announced.

Ontario

| Income tax rates (for December 31, 2023 year ends) | | | | Other 2023 rates | |
|---|------------|-------------------------------------|-------------------|------------------|-------------------------------|
| General (non-M&P) | M&P | CCPC | | Sales tax | Payroll tax |
| | | Active business income to \$500,000 | Investment income | | |
| 11.5% | 10% | 3.2% | 11.5% | 13% HST | Nil or 1.95% (see page 22) |
| 26.5% | 25% | 12.2% | 50.17% | | |

For CPP and EI premiums, see page 34.

Figures in **bold** are combined federal/provincial rates.

The M&P rate applies to profits from M&P, as well as from farming, mining, logging and fishing operations carried on in Canada and allocated to Ontario.

Ontario corporations that, on an associated basis, have annual gross revenues of \$100 million or more and total assets of \$50 million or more may have a corporate minimum tax (CMT) liability based on adjusted book income. CMT is payable only to the extent that it exceeds the regular Ontario income tax liability.

Highlights of changes

Ontario made manufacturing investment tax credit: Qualifying CCPCs with a permanent establishment in Ontario can claim this new 10% refundable tax credit on eligible expenditures of up to \$20 million (on an associated basis) incurred for certain buildings, machinery and equipment that are used primarily in M&P in Ontario and become available for use after March 22, 2023. See our *Tax Insights* “2023 Ontario budget: Tax highlights” at www.pwc.com/ca/taxinsights.

Ontario production services tax credit: To be eligible for this credit, expenditures incurred after November 14, 2022, for leasing real property for on-location filming, must be reasonable and paid to an arm’s length party (these expenditures are limited to 5% of the production’s qualifying production expenditures, net of leasing costs). They no longer need to be paid to a person or partnership that is ordinarily engaged in the business of selling or leasing that type of property.

Corporations

Prince Edward Island

| Income tax rates (for December 31, 2023 year ends) | | | Other 2023 rates | |
|---|-------------------------------------|-------------------|------------------|-------------|
| General and M&P | CCPC | | Sales tax | Payroll tax |
| | Active business income to \$500,000 | Investment income | | |
| 16% H | 1% H | 16% H | 15% HST | None |
| 31% | 10% | 54,67% | | |

For CPP and EI premiums, see page 34.

Figures in **bold** are combined federal/provincial rates.
H = Tax holiday (see page 20).

Highlights of changes

Carbon tax: Starting July 1, 2023, the federal fuel charge applies in Prince Edward Island, instead of the province's own carbon tax. Prince Edward Island continues to apply the federal output-based pricing system for large industrial emitters.

Quebec

| Income tax rates (for December 31, 2023 year ends) | | | Other 2023 rates | |
|---|-------------------------------------|-------------------|------------------|---------------------------------|
| General and M&P | CCPC | | Sales tax | Payroll tax |
| | Active business income to \$500,000 | Investment income | | |
| 11.5% H | 3.2% H | 11.5% H | 9.975% QST | 1.25% to 4.26% (see page 22) |
| 26.5% | 12.2% | 50.17% | 14.975% | |

For QPP, Quebec EI and QPIP premiums, see page 34.

Figures in **bold** are combined federal/provincial rates.
H = Tax holiday (see page 20).

Quebec CCPCs:

- are eligible for the province's CCPC rate of 3.2% if the CCPC's:
 - activities that are attributable to M&P and the primary sector (based on M&P and primary sector labour costs) are at least 50% (the "activities" test), or
 - current or previous year's remunerated employee hours are at least 5,500 (the "hours paid" test)
- will be subject to a tax rate between Quebec's CCPC rate of 3.2% and its general rate of 11.5% if the CCPC's:
 - activities that are attributable to M&P and the primary sector are under 50% and more than 25%, or
 - current or previous year's remunerated employee hours are less than 5,500 and more than 5,000

Highlights of changes

Compensation tax for financial institutions:

Independent loan, trust and security trading companies that, in the year, are not associated with a bank, savings and credit union or insurance corporation are subject to the compensation tax rate for "Other (excluding insurance corporations)," including the maximum annual payroll subject to the compensation tax of \$275 million.

Payroll subject to the compensation tax cannot exceed, for:

- banks and loan, trust and security trading companies – \$1.1 billion
- savings and credit unions – \$550 million
- other (excluding insurance companies) – \$275 million

| Effective date | | Insurance premiums | Banks and loan, trust and security trading companies | Payroll | Other (excluding insurance companies) |
|----------------------|---------------|--------------------|--|---------------------------|---------------------------------------|
| | | | | Savings and credit unions | |
| Before April 1, 2022 | | 0.48% | 4.14% | 3.26% | 1.32% |
| | April 1, 2022 | 0.3% | 2.8% | 2.2% | 0.9% |

Refundable tax credit for Québec film or television production: For film or television productions for which an application for an advance ruling, or a qualification certificate, is filed after March 21, 2023, changes to this credit:

- permit an aggregator to provide the required undertaking to make a film accessible in Quebec for an eligible online video service
- exclude stock footage costs when determining whether a documentary meets the production cost requirements for the credit

Corporations

Refundable tax credit for the production of multimedia events or environments presented outside Quebec: For qualified productions for which an application for an advance ruling, or a qualification certificate, is filed after March 21, 2023, changes to this credit:

- broaden the base for labour expenditures for services by an eligible employee or individual
- increase the limit on qualified labour expenditures from 50% to 60% of the total production costs

Refundable tax credit for book publishing: Enhancements to this credit, effective for eligible works for which an application for an advance ruling, or a qualification certificate, is filed after March 21, 2023, increase:

- the limit on qualified labour expenditures attributable to preparation and digital version publishing costs, from 50% to 65%
- the tax credit rate from 27% to 35% of qualified labour expenditures related to printing and reprinting

Tax holidays for large investment projects (TH-LIP):

- The TH-LIP, which provides a 15-year tax holiday, was eliminated on March 21, 2023 (former TH-LIP), but corporations and partnerships that already held a qualification certificate or applied for the issuance of an initial qualification certificate will continue to benefit from the former TH-LIP (see page 20).
- A new TH-LIP is available for a qualified corporation (or partnership) that carries on certain large investment projects for which an application for an initial qualification certificate is made after March 21, 2023 and before January 1, 2030. The large investment project requires, among other conditions, an investment of at least \$100 million within the first 48 months of the project. The new TH-LIP provides a 10-year income tax and Health Services Fund employer contribution holiday of up to 15%, 20% or 25% (depending on the economic vitality of the territory where the project is located) of the project's cumulative total eligible expenditures (maximum total eligible expenditures of \$1 billion) (see page 20).

Refundable tax credits to encourage the creation of new financial services corporations: The deadline to file a qualification certificate application for these tax credits is extended by five years, to December 31, 2027.

Labour sponsored funds (LSFs): See page 16 for changes to the minimum holding period for shares in these funds.

Ownership transparency: See page 16 for new ownership disclosure requirements that apply to certain enterprises conducting business in Quebec.

Cryptoasset compliance: See page 16 for new powers granted to Revenu Québec relating to cryptoasset compliance.

Saskatchewan

| Income tax rates (for December 31, 2023 year ends) | | | | | Other 2023 rates | |
|---|------------|--|------------------------|----------------------|------------------|----------------|
| General (non-M&P) | M&P | CCPC | | | Sales tax | Payroll tax |
| | | Active business income to \$500,000 | \$500,000 to \$600,000 | Investment income | | |
| 12% | 10% | 0.5% | | 12% | 6% PST | None |
| 27% | 25% | 9.5% | 15.5% | 50.67% | 11% | |

For CPP and EI premiums, see page 34.

Figures in **bold** are combined federal/provincial rates.

A rebate of up to 2% of M&P profits allocated to Saskatchewan can reduce the rate from 12% to as low as 10%.

Corporate income tax rate changes

| Effective date | CCPC rate | |
|----------------|---------------------|----|
| | Before July 1, 2023 | 0% |
| July 1, 2023 | 1% | |
| July 1, 2024 | 2% | |

The rate was originally scheduled to increase to 1% on July 1, 2022, and then to 2% on July 1, 2023.

Additional highlights

Manufacturing and processing exporter tax incentive: This incentive is extended by one year, to December 31, 2023.

Beneficial ownership register: Effective March 12, 2023, privately held companies governed by Saskatchewan's *The Business Corporations Act* are required to maintain "a register of individuals with significant control over the corporation."

Tax administration: The Saskatchewan government intends to implement a framework for a new crown corporation, the Saskatchewan Revenue Agency (SRA). The SRA would be responsible for administering taxes and related programs in the province, including administering the provincial portion of the corporate income tax system.

Land transfer tax: Effective July 29, 2023, Saskatchewan's land titles registration fee increased from 0.3% to 0.4% of the value of the transferred property.

Corporations

Yukon

| Income tax rates (for December 31, 2023 year ends) | | | | Other 2023 rates | |
|---|--------------|--|----------------------|------------------|----------------|
| General (non-M&P) | M&P | CCPC | | Sales tax | Payroll tax |
| | | Active business income to \$500,000 | Investment income | | |
| 12% | 2.5% | 0% | 12% | 5% GST | None |
| 27% | 17.5% | 9% | 50.67% | | |

For CPP and EI premiums, see page 34.

Figures in **bold** are combined federal/territorial rates.

Highlights of changes

No significant corporate tax changes were announced.

Individuals and corporations

Sales tax rates for 2023

| | Rate | Total rate | |
|-----------------------------|---------------------------|---------------------|---------|
| Federal | | 5% GST | |
| GST only | Alberta | 5% federal GST only | |
| | Northwest Territories | | |
| | Nunavut | | |
| | Yukon | | |
| HST | New Brunswick | 15% | |
| | Newfoundland and Labrador | | |
| | Nova Scotia | | |
| | Prince Edward Island | | |
| | Ontario | | |
| PST (or QST) and GST | British Columbia | 7% | |
| | Manitoba | 12% | |
| | Quebec | 9.975% | 14.975% |
| | Saskatchewan | 6% | 11% |

Individuals and corporations

CPP/QPP, EI and QPIP premiums

Employers may pay EI at reduced rates in certain circumstances.

Starting 2019, CPP/QPP contributions will increase in two phases (the CPP/QPP enhancement):

- 2019 to 2023 – a higher contribution rate will be phased in – on earnings below the Yearly Maximum Pensionable Earnings (YMPE) (\$66,600 in 2023) – for:
 - both employers and employees – for CPP (from 4.95% in 2018 to 5.95% in 2023), and for QPP (from 5.4% in 2018 to 6.4% in 2023)
 - self-employed individuals – for CPP (from 9.9% in 2018 to 11.9% in 2023), and for QPP (from 10.8% in 2018 to 12.8% in 2023)
- 2024 to 2025 – an additional contribution rate will apply to earnings between the YMPE and the Yearly Additional Maximum Pensionable Earnings, for:
 - both employers and employees – 4%
 - self-employed individuals – 8%

| | | 2022 | 2023 | | |
|--|--|--|----------|--------------------|---------|
| All contributors (other than those in Quebec) | CPP | Maximum pensionable earnings | \$64,900 | \$66,600 | |
| | | - Basic exemption | \$3,500 | | |
| | | = Maximum contributory earnings | \$61,400 | \$63,100 | |
| | | Employer/employee rate | 5.7% | 5.95% ¹ | |
| | | Maximum employer/employee contribution | \$3,500 | \$3,754 | |
| | | Self-employed contribution rate | 11.4% | 11.9% ² | |
| | | Maximum self-employed contribution | \$7,000 | \$7,509 | |
| | | Maximum annual insurable earnings | \$60,300 | \$61,500 | |
| | EI premiums | Premium per \$100 insurable earnings | Employee | \$1.58 | \$1.63 |
| | | | Employer | \$2.212 | \$2.282 |
| Annual maximum contribution | | Employee | \$953 | \$1,002 | |
| | | Employer | \$1,334 | \$1,403 | |
| Quebec contributors | QPP (higher than CPP) | Maximum annual pensionable earnings | \$64,900 | \$66,600 | |
| | | - Basic exemption | \$3,500 | | |
| | | = Maximum contributory earnings | \$61,400 | \$63,100 | |
| | | Employer/employee rate | 6.15% | 6.4% ³ | |
| | | Maximum employer/employee contribution | \$3,776 | \$4,038 | |
| | | Self-employed contribution rate | 12.3% | 12.8% ⁴ | |
| | | Maximum self-employed contribution | \$7,552 | \$8,077 | |
| | | Maximum annual insurable earnings | \$60,300 | \$61,500 | |
| | EI (lower than federal EI premiums due to the QPIP) | Premium per \$100 insurable earnings | Employee | \$1.20 | \$1.27 |
| | | | Employer | \$1.68 | \$1.778 |
| Annual maximum contribution | | Employee | \$724 | \$781 | |
| | | Employer | \$1,013 | \$1,093 | |
| QPIP premiums | Maximum annual insurable earnings | \$88,000 | \$91,000 | | |
| | Premium per \$100 insurable earnings | Employee | \$0.494 | \$0.494 | |
| | | Employer | \$0.692 | \$0.692 | |
| | Annual maximum contribution | Employee | \$435 | \$450 | |
| | | Employer | \$609 | \$630 | |
| | Premium per \$100 insurable earnings | Self-employed | \$0.878 | \$0.878 | |
| | Annual maximum contribution | | \$773 | \$799 | |

Employees with insurable earnings for the year below \$2,000 can claim a refund of premiums.

Self-employed individuals are permitted to deduct half of base CPP/QPP premiums and 100% of the enhanced portion of CPP/QPP premiums paid for their own coverage. The non-deductible portion qualifies for a tax credit. As well, a portion of the QPIP premiums paid by self-employed individuals is deductible. Self-employed individuals are not required to pay EI premiums, but may opt into the program and pay EI premiums at the employee rate.

1. For CPP employer/employee rate: 5.95% = 4.95% (base CPP rate) + 1% (enhanced CPP rate)
2. For CPP self-employed rate: 11.9% = 9.9% (base CPP rate) + 2% (enhanced CPP rate)
3. For QPP employer/employee rate: 6.4% = 5.4% (base QPP rate) + 1% (enhanced QPP rate)
4. For QPP self-employed rate: 12.8% = 10.8% (base QPP rate) + 2% (enhanced QPP rate)

Individuals and corporations

Retirement savings and profit sharing plans

For registered retirement savings plans (RRSPs), pooled registered pension plans (PRPPs), defined contribution registered pension plans (RPPs), deferred profit sharing plans (DPSPs) and the Saskatchewan Pension Plan (SPP), the amount that can be contributed in a year is the lesser of:

- 18% of earned income for the previous year (for RRSPs, PRPPs and SPP) or of pensionable earnings for the current year (for RPPs and DPSPs)
- fixed-dollar limits

The table below outlines these limits. For example, for RRSPs, the \$31,560 fixed dollar limit applies in 2024 if earned income in 2023 (i.e. the previous year) exceeds \$175,333 (because 18% of \$175,333 is \$31,560).

Effective April 13, 2023, individuals participating in the Saskatchewan Pension Plan can contribute up to their available RRSP contribution room. Previously, the maximum contribution for 2023 was \$7,200.

Different rules apply for defined benefit plans.

DPSP amounts are half of defined contribution RPP amounts.

Employee contributions to DPSPs are not permitted.

Other factors, such as past service pension adjustments, may affect these limits and are not shown, nor are special rules that may apply to transfers and deceased taxpayers.

The PA reflects the value of benefits accruing to the individual for the year in a DPSP and/or an RPP, whether defined benefit or defined contribution.

A PAR may restore RRSP contribution room when a member withdraws from a defined benefit RPP and the amount received is less than the total PAs.

| | % of earnings | Registered retirement savings plan (RRSP) Pooled registered pension plan (PRPP) | | Saskatchewan Pension Plan ("Specified Pension Plan") | | Defined contribution registered pension plan (RPP) | | Deferred profit sharing plan (DPSP) | | |
|---------------------|---|--|--|--|---|--|--|-------------------------------------|-------------------------------------|------------|
| | | Maximum contribution | Earned income (previous year) | Maximum contribution | Earned income (previous year) | Maximum contribution | Pensionable earnings (current year) | Maximum contribution | Pensionable earnings (current year) | |
| | | 18% of earned income for the previous year | | | | 18% of pensionable earnings for the year | | | | |
| Contribution limits | Dollar limits | 2022 | \$29,210 | ≥ \$162,278 | \$7,000 | ≥ \$38,889 | \$30,780 | ≥ \$171,000 | \$15,390 | ≥ \$85,500 |
| | | 2023 | \$30,780 | ≥ \$171,000 | \$30,780 | ≥ \$171,000 | \$31,560 | ≥ \$175,333 | \$15,780 | ≥ \$87,667 |
| | | 2024 | \$31,560 | ≥ \$175,333 | \$31,560 | ≥ \$175,333 | Indexed | | | |
| | | 2025 | Indexed | | Indexed | | Indexed | | | |
| | Limits apply to: | All contributions | | | | Combined employer/employee contributions | | Employer contributions | | |
| Reduced by: | Pension Adjustment (PA) for the previous year | | | | DPSP contributions for the year (Terms of plan may impose lower limits) | | Defined contribution RPP contributions for the year (Terms of plan and employer's profits may impose lower limits) | | | |
| Increased by: | Unused RRSP contribution limits of previous years and pension adjustment reversals (PARs) | | | | n/a | | | | | |
| Stated in: | Previous year's Notice of Assessment | | Previous year's Notice of Assessment (for 2022, to a maximum of \$7,000) | | | Documents provided by the employer or plan administrator | | | | |
| Deadlines | Employer's contribution | For: • RRSPs – n/a • PRPPs – 120 days after employer's year end | | n/a | | 120 days after employer's year end | | | | |
| | Individual's contributions | 60 days after the calendar year end (i.e. March 1, but February 29 for leap years; adjusted for deadlines that fall on weekends) | | | | December 31 | | n/a | | |

Individuals and corporations

R&D tax credits

Federal SR&ED investment tax credit rates

The federal investment tax credit (ITC) and refund rates shown apply to current expenditures incurred in 2023.

Unused federal ITCs may reduce federal taxes payable for the previous three years and the next twenty.

Generally, a CCPC's \$3 million expenditure limit in respect of the 35% credit is reduced by \$0.075 for every \$1 of its previous year's taxable capital employed in Canada above \$10 million, up to \$50 million. The threshold is on an associated basis.

| | | Investment tax credit (ITC) rate | Refund rate |
|---------------------------|---|--|--|
| Qualified SR&ED in Canada | Qualifying Canadian-Controlled Private Corporations (CCPCs) | 35% of annual qualified expenditures up to threshold (\$3 million or less) + 15% of qualified expenditures not eligible for the 35% rate | 100% of ITCs computed at the 35% rate + 40% of ITCs computed at the 15% rate |
| | Other corporations Individuals | 15% | n/a 40% of ITCs |

The SR&ED ITC is also available for certain salaries or wages incurred in respect of SR&ED carried on outside Canada (limited to 10% of salaries and wages directly attributable to SR&ED carried on in Canada).

Provincial and territorial R&D tax credits

Only corporations are eligible for R&D tax credits, except in Newfoundland and Labrador, Quebec and Yukon, where individuals can also claim the credits.

In Alberta, corporations that have taxable capital under \$10 million are eligible for the innovation employment grant on up to 20% of eligible expenses (8% plus 12% incremental amount) on up to \$4 million of expenditures. Those with taxable capital between \$10 million and \$50 million are eligible for a partial grant.¹

In Ontario, corporations that have taxable income under \$500,000 and taxable capital under \$25 million can claim the innovation tax credit on up to \$3 million of expenditures. Those with taxable income between \$500,000 and \$800,000 or taxable capital between \$25 million and \$50 million are eligible for a partial credit.¹ 100% of current expenditures are eligible.

20% of qualifying payments (up to \$20 million annually on an associated basis) to an Ontario eligible research institute.

For all Quebec R&D tax credits:

- Quebec Canadian-controlled corporations with less than \$50 million in assets can claim the 30% rate on up to \$3 million of R&D wages and/or eligible R&D expenditures. For those with assets between \$50 million and \$75 million, the rate is gradually reduced to 14%. The rate is 14% for all other taxpayers. The rates are higher in certain cases.¹
- An exclusion threshold ranging from \$50,000 to \$225,000, depending on the corporation's assets, reduces the eligible R&D expenditures for the R&D wage tax credit (for qualified expenditures incurred for a taxation year beginning before March 11, 2020, this threshold also reduced eligible R&D expenditures for the university R&D tax credit, the private partnership precompetitive tax credit and the tax credit on fees paid to a research consortium); the rule that splits the threshold among Quebec's four R&D tax credits continues to apply when calculating the R&D wage tax credit.

A portion of payments to unrelated subcontractors may be eligible for these Quebec credits (50% for R&D wage; 80% for private partnership precompetitive).

Yukon's rate is 20% on R&D expenditures made to the Yukon College.

British Columbia's maximum annual refundable tax credit is \$300,000.

| | | Rate | Refundable? | Carry-back | Carry-forward |
|---------------------------|--|------------|-------------|------------|---------------|
| Alberta | | 8% to 20% | Yes | n/a | |
| British Columbia | Qualifying CCPCs | 10% | No | n/a | |
| | Other corporations | | | 3 years | 10 years |
| Manitoba | | 15% | Yes/No | 3 years | 20 years |
| New Brunswick | | | | | |
| Newfoundland and Labrador | | 15% | | | |
| Nova Scotia | | | Yes | n/a | |
| Ontario | Innovation tax credit | 8% | | | |
| | Business research institute tax credit | 20% | | | |
| | R&D tax credit | 3.5% | No | 3 years | 20 years |
| Quebec | R&D wage tax credit | | | | |
| | University R&D tax credit | | | | |
| | Private partnership precompetitive tax credit | 14% to 30% | Yes | n/a | |
| | Tax credit on fees paid to a research consortium | | | | |
| Saskatchewan | Qualifying CCPCs | | Yes | | |
| | Other corporations | 10% | No | 3 years | 10 years |
| Yukon | | 15% | Yes | n/a | |

Manitoba's credit is:

- fully refundable for certain eligible expenditures
- 50% refundable for in-house R&D expenditures

In some cases, Quebec's University R&D tax credit is available on 80% of payments to certain eligible entities (e.g. universities and public research centres).

Saskatchewan's maximum annual refundable tax credit is \$100,000.

Saskatchewan's total refundable and non-refundable tax credits are capped at \$1 million per taxation year.

1. Alberta, Ontario and Quebec thresholds are in respect of the previous year, on a worldwide associated basis.

Individuals and corporations

Land transfer tax and registration fees

The provinces and territories charge land transfer taxes and registration fees on the purchase of real property within their boundaries.

Some exemptions or refunds are available. Higher rates may apply to non-residents. Additional fees may be imposed (e.g. on the registration of the deed or mortgage).

| | | Calculation | Value used |
|---|--|---|--|
| Alberta | | \$50 + 0.04% of value | Value of property |
| British Columbia | General | 1% of portion ≤ \$200,000 + 2% of portion between \$200,000 and \$2 million + 3% of portion > \$2 million | Fair market value of property |
| | Residential | As above + 2% of portion > \$3 million | |
| Foreign purchasers | As above + 20% of value on certain residential property in the: • Metro Vancouver, Capital and Fraser Valley Regional Districts • Regional Districts of Central Okanagan and Nanaimo | | |
| Manitoba | | \$130 + 0.5% of portion between \$30,000 and \$90,000 + 1% of portion between \$90,000 and \$150,000 + 1.5% of portion between \$150,000 and \$200,000 + 2% of portion > \$200,000 | |
| New Brunswick | | \$85 + 1% of value | Greater of assessed value and consideration for the transfer |
| Newfoundland and Labrador | | \$100 + 0.4% of portion > \$500 | |
| Northwest Territories | | 0.2% of portion ≤ \$1 million + 0.15% of portion > \$1 million | Value of property |
| Nova Scotia | General | \$100 + Up to 1.5% (determined by municipality) | Greater of assessed value and sale price |
| | Non-residents of NS | As above + 5% of value | |
| Nunavut | | 0.15% of portion ≤ \$1 million + 0.1% of portion > \$1 million | Value of property |
| Ontario | General | 0.5% of portion ≤ \$55,000 + 1% of portion between \$55,000 and \$250,000 + 1.5% of portion between \$250,000 and \$400,000 + 2% of portion > \$400,000 | Value of consideration |
| | Family dwelling (one or two units) | As above + 0.5% of portion > \$2 million | |
| | Foreign purchasers | As above + 25% of value | |
| Addition for Toronto* | General | \$87 + Same as Ontario General (above) | |
| | Family dwelling (one or two units) | \$87 + Same as Ontario Family dwelling (one or two units) (above) | |
| Prince Edward Island | General | 1% of value, if value > \$30,000 | Greater of assessed value and consideration for the transfer |
| Quebec | Non-residents of PEI and corporations | As above + 1% of value (\$550 minimum) (Depends on land size and corporate ownership) | Purchase price |
| | | 0.5% of portion ≤ \$55,200 + 1% of portion between \$55,200 and \$276,200 + 1.5% of portion > \$276,200 | Greatest of: • consideration furnished • consideration stipulated • fair market value of property |
| Addition for Montreal | 0.5% of portion between \$552,300 and \$1,104,700 + 1% of portion between \$1,104,700 and \$2,136,500 + 2% of portion between \$2,136,500 and \$3,113,000 + 2.5% of portion > \$3,113,000 | | |
| Addition for certain Quebec municipalities (other than Montreal) | + Up to 1.5% of portion > \$500,000 (determined by municipality) | | |
| Saskatchewan | | 0.4% (\$25 minimum) | |
| Yukon | | \$70 + 0.1% of portion > \$10,000 | Value of property |
| | | Up to \$700 on portion between \$100,000 to \$10 million | |

Minimum of \$100 in Northwest Territories and \$60 in Nunavut.

For Ontario and Toronto, land transfer tax applies to registered and unregistered transfers, including dispositions of a beneficial interest in land.

For Ontario, the rate of additional tax that applies to foreign purchasers was lower for property transfers occurring before October 25, 2022. See page 15.

For Saskatchewan, the land titles registration fee was 0.3% (\$25 minimum) before July 29, 2023. See pages 17 and 32.

* Post-publication changes revise Toronto's municipal land transfer tax rate structure that applies to family dwellings with one or two units, for transfers of property after December 31, 2023.

Individuals and corporations

Filing deadlines

Deadlines falling on holidays or weekends may be extended to the next business day.

In addition to income tax returns, individuals, trusts, corporations and partnerships may be subject to other filing requirements. Several are noted below. See page 7 for individual and trust income tax deadlines. For corporate income tax and financial institution capital tax deadlines, see pages 20 and 23, respectively.

Earlier deadlines apply to publicly traded trusts and publicly traded partnerships for posting information relating to T3s and T5013s to the CDS Innovations Inc. website.

| | | Jurisdiction or form | Filing deadline | Details and exceptions |
|---------------------|---------------------------------|--|---|---|
| Income reporting | Trusts | Federal, Quebec (T3 slip/relevé 16) | 90 days after trust year end | n/a |
| | Other | Federal, Quebec (T4/relevé 1, T5/relevé 3, etc.) | Last day of February | March 31 deadline for partnership information returns applies to partnerships with only individual members. For partnerships with: <ul style="list-style-type: none"> • only corporate members: five months after end of fiscal period • both individual and corporate members: earlier of last day of March and five months after end of fiscal period |
| | Tax shelter | Federal, Quebec | Last day of March | |
| | Partnership | Federal, Quebec (T5013/relevé 15) | | |
| Information returns | Transactions with non-residents | Federal: NR4 | Individuals: April 30 Corporations: 6 months after year end Trusts: 90 days after year end Partnerships (T106, T1135 and T1142 only): same as for partnership information return | If partnership discontinues: earlier of normal filing deadline and 90 days after discontinuance. |
| | | Federal: T106 (transactions with non-arm's length parties) | | For trusts, form NR4 is due 90 days after the trust's year end. |
| | Foreign property/trust | Federal: T1135, T1141, T1142 | | For individuals, forms T106, T1135, T1141 and T1142 are due June 15 if the taxpayer or the taxpayer's spouse carried on a business in the year. |
| | Foreign property/trust | Federal: T1134 | Individuals, corporations, trusts and partnerships: 10 months after year end | n/a |
| Notice of objection | | Federal, all provinces | 90 days after mailing date of assessment or reassessment | In all jurisdictions, for an individual or a testamentary trust that is a graduated rate estate: the later of one year after the filing due date and 90 days after mailing date of the assessment or reassessment. |

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