

2016 Federal & British Columbia Income Tax Rates for Canadian-Controlled Private Corporations (CCPCs)

	Small Business Income up to \$500,000 (%)	General Active Business Income (%)	Investment Income (%)
General corporate rate	38.00	38.00	38.00
Less: Federal abatement	-10.00	-10.00	-10.00
	28.00	28.00*	28.00
Rate reduction	-17.50	-13.00*	0.00
Refundable additional tax	0.00	0.00	10.67
Federal rate	10.50	15.00	38.67
BC rate	2.50	11.00	11.00
Combined Federal/BC rate	13.00	26.00	49.67
Refundable portion	0.00	0.00	30.67

* Personal Service Business (PSB) income is not eligible for the 13% rate reduction. The 2016 Federal Budget will increase the federal rate for PSB income from 28% to 33% effective January 1, 2016. The federal rate is prorated for taxation years that straddle December 31, 2015. For years starting after 2015, the combined federal and BC rate for PSB income will be 44%.

Refundable Tax, Dividend Refund and Part IV Tax Changes effective January 1, 2016

- The following rate changes are effective January 1, 2016. The rates are prorated for taxation years that straddle December 31, 2015:
 - The refundable additional Part I tax for CCPCs increased from 6.67% to 10.67%.
 - The total refundable portion of Part I tax for CCPCs increased from 26.67% to 30.67%.
 - The dividend refund rate for private corporations increased from 33.33% to 38.33%.
- Part IV tax on taxable dividends received by private corporations increased from 33.33% to 38.33% for dividends received after December 31, 2015.

2016 Federal & British Columbia Income Tax Rates for Non-Canadian-Controlled Private Corporations

	General M&P Income (%)	General Active Business Income (%)	Investment Income (%)
General corporate rate	38.00	38.00	38.00
Less: Federal abatement	-10.00	-10.00	-10.00
	28.00	28.00	28.00
Rate reduction	-13.00	-13.00	-13.00
Federal rate	15.00	15.00	15.00
BC rate	11.00	11.00	11.00
Combined Federal/BC rate	26.00	26.00	26.00

2016 Automobile Deductions and Benefits

Maximum cost for CCA purposes	\$ 30,000	+ GST + PST
Maximum deductible monthly lease payment	\$ 800	+ GST + PST
Monthly interest limit	\$ 300	
Maximum deductible automobile allowance	54¢	First 5,000 km
Maximum deductible automobile allowance	48¢	Additional km
Operating cost benefit per km of personal use	26¢	General
Operating cost benefit per km of personal use	23¢	Auto sales