

Tax Rates

2017 Federal & British Columbia Income Tax Rates for Canadian-Controlled Private Corporations

	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 / 2.00**	11.00	11.00
Combined Federal/BC rate	13.00 / 12.50	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 and is subject to an additional 5% federal tax. PSB income is taxed at a combined rate of 44% (33% federal plus 11% BC).

** The provincial rate for small business income will be reduced from 2.5% to 2% effective April 1, 2017.

Dividend Refund and Part IV Tax

The dividend refund rate for private corporations, and Part IV tax rate on taxable dividends received by private corporations, increased from 33 1/3% to 38 1/3% after 2015.

2017 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

2017 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	25¢	General
Operating cost benefit per km of personal use	22¢	Auto sales