

INTEGRATION OF
TAX RATES

INTEGRATION- 2025

For illustration purposes only. All rates are based on 2024 tax rates applicable to B.C. residents who are at the top marginal tax rates. Corporations are assumed to be Canadian-controlled private corporations. Rates will be different for individuals and corporations not resident in B.C. and may change over time.

	Small Business Income (up to \$500,000)	Regular Active Business Income (over \$500,000)	Investment Income	Portfolio Dividends (eligible - note 1)	RDTOH Regime (ie - RDTOH on eligible dividends)
Income earned Personally					
Income Earned	\$100.00	\$100.00	\$100.00	\$100.00	
Taxable income	\$100.00	\$100.00	\$100.00	\$138.00	
Personal tax (federal and B.C.)	(53.50)	(53.50)	(53.50)	(36.54)	
After-Tax Income	\$46.50	\$46.50	\$46.50	\$63.46	
Income Earned Corporately and Paid as a Dividend					
Income Earned	\$100.00	\$100.00	\$100.00	\$100.00	
Taxable income	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
Federal tax	(9.00)	(15.00)	(38.67)	(38.33)	(38.67)
B.C. tax	(2.00)	(12.00)	(12.00)	-	(12.00)
Total tax	(11.00)	(27.00)	(50.67)	(38.33)	(50.67)
After-tax corporate income	\$89.00	\$73.00	\$49.33	\$61.67	\$49.33
Add: refundable portion (note 2)	-	-	30.67	38.33	30.67
Amount available as dividend	89.00	73.00	80.00	100.00	80.00
Personal tax on dividend (note 3)	(43.51)	(26.67)	(39.11)	(36.54)	(29.23)
After-Tax Income	\$45.49	\$46.33	\$40.89	63.46	\$50.77
Income Earned Corporately and Paid as a Bonus					
Bonus	\$100.00	\$100.00	\$100.00		
Personal tax on bonus (note 4)	(53.50)	(53.50)	(53.50)		
After-Tax Income	\$46.50	\$46.50	\$46.50		
2025 Salary and Dividend Comparatives					
Personal salary tax rate advantage (cost) per \$100	\$0.00	\$0.00	\$0.00		
Dividend tax rate advantage (cost) per \$100	(\$1.01)	(\$0.17)	(\$5.61)		
2025 Integration Results - Dividend					
Personal tax rate advantage (cost) per \$100	\$1.01	\$0.17	\$5.61	\$0.00	
Corporate deferral advantage (cost) per \$100	\$42.50	\$26.50	\$2.83	(\$1.79)	

NOTES:

1. The corporate tax rate for portfolio dividends in this table applies only to eligible dividends based on the assumption that the investments are in public company shares. Dividends from public companies are generally eligible dividends.
2. A refund from the non-eligible RDTOH account will only be available when a CCPC pays a non-eligible dividend. Refundable Part IV tax on eligible portfolio dividends (38.33%) will be tracked in the eligible RDTOH account.
3. The dividends paid out of small business income and investment income in this table are assumed to be non-eligible dividends and subject to the higher non-eligible dividend tax rate as income of these types do not generate GRIP pool that enables payment of eligible dividends.

The dividends paid out of regular active business income and portfolio dividends in this table are assumed to be eligible dividends and subject to the lower eligible dividend tax rate as income of these types do generate GRIP pool that enables payment of eligible dividends.

4. A bonus is paid and deducted at the corporate level instead of paying corporate taxes. Unlike a dividend, a bonus will generate RRSP deduction room. Additional potential costs, such as CPP and EHT, are not included in the table above but may also need to be considered.

Current as of January 15, 2026

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