

Tax Rates

2025 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 ¹	28.00
Rate reduction	-19.00	-13.00 ¹	0.00
Refundable additional tax	0.00	0.00	10.67
Federal rate	9.00	15.00	38.67
BC rate	2.00	12.00	12.00
Combined Federal/BC rate	11.00	27.00	50.67
Refundable portion	0.00	0.00	30.67

1. 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 45% (33% federal plus 12% BC).
2. A “substantive CCPC” (other than a CCPC) will be subject to the higher tax rate on aggregate investment income. Dividend refunds may be available when taxable dividends are paid.

2025 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	12.00	12.00	12.00
Combined Federal/BC rate	27.00	27.00	27.00

2025 Automobile Deductions and Benefits

Maximum cost for CCA - non zero-emission	\$ 38,000	+ GST & PST
Maximum cost for CCA - eligible zero-emission	\$ 61,000	+ GST & PST
Maximum deductible monthly lease payment	\$ 1,100	+ GST & PST
Monthly interest limit	\$ 350	
Maximum deductible automobile allowance	72¢	First 5,000 km
Maximum deductible automobile allowance	66¢	Additional km
Operating cost benefit per km of personal use	34¢	General
Operating cost benefit per km of personal use	31¢	Auto sales