

2025 corporate, integrated and personal tax rates on active business income



The following tables illustrate the 2025 corporate tax rates on active business income (ABI) below and above the small business limit, including the integrated corporate and personal tax rates when the income is distributed to the shareholders as a dividend (these tables assume that the shareholders are at the top marginal tax rate):

Province	Corporate tax rate	Non-eligible dividend rate	Eligible dividend rate	Combined corporate and personal tax rate	Tax rate if income earned personally
----------	--------------------	----------------------------	------------------------	--	--------------------------------------

Alberta

ABI up to \$500K	11.00%	42.31%		48.66%	48.00%
ABI > \$500K	23.00%		34.31%	49.42%	48.00%

British Columbia

ABI up to \$500K	11.00%	48.89%		54.51%	53.50%
ABI > \$500K	27.00%		36.54%	53.67%	53.50%

Manitoba

ABI up to \$500K	9.00%	46.67%		51.47%	50.40%
ABI > \$500K	27.00%		37.78%	54.58%	50.40%

New Brunswick

ABI up to \$500K	11.50%	46.83%		52.94%	52.50%
ABI > \$500K	29.00%		32.40%	52.00%	52.50%

Newfoundland and Labrador

ABI up to \$500K	11.50%	48.96%		54.83%	54.80%
ABI > \$500K	30.00%		46.20%	62.34%	54.80%

Northwest Territories

ABI up to \$500K	11.00%	36.82%		43.77%	47.05%
ABI > \$500K	26.50%		28.33%	47.32%	47.05%

Nova Scotia

ABI up to \$500K	11.50%	48.28%		54.23%	54.00%
ABI > \$500K	29.00%		41.58%	58.52%	54.00%

Nunavut

ABI up to \$500K	12.00%	37.79%		45.26%	44.50%
ABI > \$500K	27.00%		33.08%	51.15%	44.50%

Note: The combined corporate and personal tax rate for active business income earned above the \$500,000 threshold assumes that the entire amount can be paid out as an eligible dividend.

2025 corporate, integrated and personal tax rates on active business income

Province	Corporate tax rate	Non-eligible dividend rate	Eligible dividend rate	Combined corporate and personal tax rate	Tax rate if income earned personally
----------	--------------------	----------------------------	------------------------	--	--------------------------------------

Ontario

ABI up to \$500K	12.20%	47.74%		54.12%	53.53%
ABI > \$500K	26.50%		39.34%	55.41%	53.53%

Prince Edward Island

ABI up to \$500K	10.00%	47.92%		53.13%	52.00%
ABI > \$500K	31.00%		36.54%	56.21%	52.00%

Quebec

ABI up to \$500K	12.20%	48.70%		54.96%	53.31%
ABI > \$500K	26.50%		40.11%	55.98%	53.31%

Saskatchewan

ABI up to \$500K	10.50%	40.86%		47.07%	47.50%
ABI \$500K to \$600K	16.50%		29.64%	41.25%	47.50%
ABI > \$600K	27.00%		29.64%	48.64%	47.50%

Yukon

ABI up to \$500K	9.00%	44.04%		49.08%	48.00%
ABI > \$500K	27.00%		28.93%	48.12%	48.00%

Note: The combined corporate and personal tax rate for active business income earned above the \$500,000 threshold assumes that the entire amount can be paid out as an eligible dividend.

Sources: Federal and provincial/territorial income tax legislation and legislative proposals, January 2025. RBC Wealth Management Services. Calculations are done in accordance with federal and provincial/territorial legislation and legislative proposals.

The material in this document is intended as a general source of information only, and should not be construed as offering specific tax, legal, financial or investment advice. Every effort has been made to ensure that the material is correct at the time of publication, but we cannot guarantee its accuracy or completeness. Interest rates, market conditions, tax rulings and other investment factors are subject to rapid change. You should consult with your tax advisor, accountant and/or legal advisor before taking any action based upon the information contained in this document.

This document has been prepared for use by Royal Bank of Canada and certain of its member companies (collectively, "Companies"), including but not limited to RBC Dominion Securities Inc.*, RBC Phillips, Hager & North Investment Counsel Inc., RBC Global Asset Management Inc., and Royal Mutual Funds Inc. Each of these Companies are separate corporate entities which are affiliated. None of the Companies or any of its affiliates or any other related person accepts any liability whatsoever for any direct or consequential loss arising from any use of this report or the information contained herein. *Member – Canadian Investor Protection Fund. ®/™ Trademark(s) of Royal Bank of Canada. Used under licence. © Royal Bank of Canada 2025. All rights reserved.