

## 2026 Income Tax Rates

Corporate Rates				
Type of income	Federal	Ontario	Total	
CCPC to \$500,000 (active business income)	9.00%	3.20%	12.20%	
CCPC excess of \$500,000 (active)	15.00%	11.50%	26.50%	
CCPC (Investment) [*net to 19.5% when dividend out]	38.67%	11.50%	*50.17%	
Personal Service Business income	33.00%	11.50%	44.50%	
Basic (other than CCPC)	15.00%	11.50%	26.50%	
M & P (other than CCPC)	15.00%	10.00%	25.00%	
Investments (other than CCPC)	15.00%	11.50%	26.50%	

CCPC = Canadian Controlled Private Corporation

M & P = Manufacturing and Processing

Part VI tax of 38 1/3% applies to certain dividends received. Fully refunded when dividend out to individuals.

Personal Rates						
Taxable income	Federal	Ontario	Ontario Surtax	Total (Ordinary)	Eligible Dividend	Other Dividend
\$1 – \$53,891	14.00%	5.05%	0.00%	19.05%	0.00%	8.09%
53,892 – 58,523	14.00%	9.15%	0.00%	23.15%	0.00%	12.80%
58,524 – 94,907	20.50%	9.15%	0.00%	29.65%	6.39%	20.28%
94,908 – 107,785	20.50%	9.15%	1.83%	31.48%	8.92%	22.38%
107,786 – 111,814	20.50%	11.16%	2.23%	33.89%	12.24%	25.16%
111,815 – 117,045	20.50%	11.16%	6.25%	37.91%	17.79%	29.78%
117,046 – 150,000	26.00%	11.16%	6.25%	43.41%	25.38%	36.10%
150,001 – 181,440	26.00%	12.16%	6.81%	44.97%	27.53%	37.90%
181,441 – 220,000	29.29%	12.16%	6.81%	48.26%	32.07%	41.68%
220,001 – 258,482	29.29%	13.16%	7.37%	49.82%	34.22%	43.47%
258,483 +	33.00%	13.16%	7.37%	53.53%	39.34%	47.74%

Only one half of a capital gain is included in taxable income and taxed at the regular rates. The other half is tax free.

Personal Amount	Federal	Ontario
Basic personal amount (BPA)	\$ 16,452*	\$12,989
Spouse or common-law partner amount	16,452*	12,132
Amount for an eligible dependent	16,452*	12,132
Age Amount	9,208	6,342
Caregiver amount – (maximum)	8,773	6,122
Disability amount – (maximum)	10,341	10,494
Pension income amount	2,000	1,796
Canada employment credit (max)	1,501	N/A

\*Amount would be reduced up to \$1,623 for Taxable Income from \$181,440 to \$258,482

### RRSP Contribution Limit (Dollar Limit)

2025	32,490
2026	33,810

(If you have an employer pension plan, the limit is reduced by the pension adjustment)

### OAS Clawback Thresholds (based on Net Income)

Starting	95,323
Maximum	160,647

Tax rates are approximate and are not meant for exact tax determination. Does not include the effects of any applicable tax credits, deductions, or the Ontario Health Premium.

### Canada Pension Plan Contributions

Contribution rate	5.95 %
Max. pensionable earnings	\$ 74,600
Annual basic exemption	3,500
Max. contributory earnings	71,100
Max. employee/employer contribution	4,230.45
Max. Self-employed contribution	8,460.90
Second additional rate (CPP2)	4%
CPP2 starting income amount	74,600
CPP2 max. income amount	85,000

### Employment Insurance Premiums

Premium rate	1.63%
Maximum annual insurable earnings	\$ 68,900
Maximum employee premium	1,123.07
Maximum employer premium	1,572.30

The content of this pamphlet is prepared by **IMPACT CPA LLP** for information only and are not intended to provide professional advice as individual situations will differ. We would be please to discuss your specific situation and tailor a tax plan to meet your requirements.

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