

## 2006 CORPORATE INCOME TAX RATES

Updated October 1, 2006

### Combined Federal and British Columbia

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Active Business Income (CCPC):	
First \$300,000 (SBD)	17.62%
Next \$100,000	26.62%
Over \$400,000	34.12%
Other corporations	33.00%
M&P Income:	
First \$400,000	23.62%
Over \$400,000	31.12%
Other corporations	23.00%
Investment Income <sup>1</sup> :	
CCPC	47.79%
CCPC's after 26 2/3% refunded	21.12%

### Federal Rates

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Basic rate	38.00%
Federal tax abatement	10.00%
Small business deduction (SBD)	16.00%
General tax reduction – over \$300,000	7.00%
4% Corporate surtax	1.12%
Manufacturing and processing deduction	7.00%
Refundable investment tax	6.67%
Refundable portion of Part IV tax	26.67%
Small business limit	\$ 300,000

### British Columbia Rates

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Basic rate	12.00%
Rate on taxable income eligible for SBD	4.50%
Manufacturing and processing deduction <sup>2</sup>	3.00%
Small business limit	\$ 400,000

NOTES:

- 1)  $26 \frac{2}{3}\%$  of a CCPC's investment income is added to its Refundable Dividend Tax On Hand (RDTOH). This amount is refundable at a rate of \$1 for every \$3 of taxable dividends paid by the CCPC.
- 2) Corporations may no longer file a claim for the British Columbia manufacturing and processing tax credit.