

## 2007 CORPORATE INCOME TAX RATES

Updated August 28, 2007

### Combined Federal and British Columbia

---

Active Business Income (CCPC):	
First \$400,000 (SBD)	17.62%
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

---

Basic rate	38.00%
Federal tax abatement	10.00%
Small business deduction (SBD)	16.00%
General tax reduction – over \$400,000	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 <sup>3</sup>	\$ 400,000

### British Columbia Rates

---

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.
- 3) The Federal Small Business Limit increased to \$400,000 from \$300,000 in 2007. The limit will be prorated based on the number of days the fiscal year is included in 2007.