

## 2009 CORPORATE INCOME TAX RATES

Updated March 13, 2009

### Combined Federal and British Columbia

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Active Business Income (CCPC):	
First \$400,000 (SBD)	13.50%
Next \$100,000	22.00%
Over \$500,000	30.00%
Other corporations	30.00%
M&P Income:	
First \$400,000	23.50%
Over \$400,000	32.00%
Other corporations	23.00%
Investment Income <sup>1</sup> :	
CCPC	45.67%
CCPC's after 26 2/3% refunded	19.00%

### Federal Rates

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Basic rate	38.00%
Federal tax abatement	10.00%
Small business deduction (SBD)	17.00%
General tax reduction – over \$500,000	9.00%
4% Corporate surtax <sup>2</sup>	0.00%
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>	\$ 500,000

### British Columbia Rates

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Basic rate <sup>4</sup>	11.00%
Rate on taxable income eligible for SBD <sup>4</sup>	2.50%
Manufacturing and processing deduction <sup>5</sup>	0.00%
Small business limit	\$ 400,000

NOTES:

- 1) 26 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) The corporate surtax was eliminated for all companies effective January 1, 2008.
- 3) The Federal Small Business Limit increased to \$500,000 from \$400,000 effective January 1, 2009. The limit will be prorated based on the number of days the fiscal year is included in 2009.
- 4) The 3% manufacturing and processing credit can only be claimed on purchases made after March 31, 2000 and before July 31, 2001.