

## 2010 CORPORATE INCOME TAX RATES

Updated March 4, 2010

	Effective January 1, 2010	Effective January 1, 2011
<b>Combined Federal and British Columbia</b>		
<b>Active Business Income (CCPC):</b>		
First \$500,000 (SBD)	13.50%	13.50%
Over \$500,000	28.50%	26.50%
Other corporations	28.50%	26.50%
<b>M&amp;P Income:</b>		
First \$400,000	20.50%	19.00%
Over \$400,000	28.50%	26.50%
Other corporations	18.50%	15.00%
<b>Investment Income <sup>1</sup>:</b>		
CCPC	45.17%	44.67%
CCPC's after 26 2/3% refunded	18.50%	18.00%
<b>Federal Rates</b>		
Basic rate	38.00%	38.00%
Federal tax abatement	10.00%	10.00%
Small business deduction (SBD)	17.00%	17.00%
General tax reduction – over \$500,000	10.00%	11.50%
Manufacturing and processing deduction	10.00%	11.50%
Refundable investment tax	6.67%	6.67%
Refundable portion of Part IV tax	26.67%	26.67%
Small business limit	\$ 500,000	\$ 500,000
<b>British Columbia Rates</b>		
Basic rate	10.50%	10.00%
Rate on taxable income eligible for SBD	2.50%	2.50%
Small business limit <sup>2</sup>	\$ 500,000	\$ 500,000

**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) The BC Small Business Limit increased to \$500,000 from \$400,000 effective January 1, 2010. The limit will be prorated based on the number of days the fiscal year is included in 2010.