

Capital tax (for corporations other than financial institutions) - information updated to April 30, 2009¹

	2008		2009		2010	
	Rate %	Exemption \$ millions	Rate %	Exemption \$ millions	Rate %	Exemption \$ millions
Federal ²	-	-	-	-	-	-
Quebec ³	0.36	1	0.24	1	0.12	1
Ontario ⁴	0.225	15	0.225	15	0.15	15
Manitoba ⁵	0.3-0.5/0.2-0.4	10	0.2-0.4/0.1-0.3	10	0.1-0.3/nil-0.2	10
Saskatchewan ⁶	0.15/0	20/0	-	-	-	-
Nova Scotia ⁷	0.45-0.225/0.4-0.2	5/0	0.4-0.2/0.3-0.15	5/0	0.3-0.15/0.2-0.1	5/0
New Brunswick ⁸	0.1	5	-	-	-	-

¹ The following provinces and territories do not levy capital tax: Alberta, British Columbia, Prince Edward Island, Newfoundland and Labrador, Yukon, Northwest Territories and Nunavut.

² Federal – Capital tax on large corporations was eliminated as of January 1, 2006.

³ Quebec – Gradual reduction of the exemption where paid-up capital is between the amount of exemption and an amount equal to four times the exemption. Complete elimination in 2011. The March 13, 2008 Quebec budget proposed the elimination of capital tax for manufacturing corporations, applicable to taxation years ending after March 13, 2008.

⁴ Ontario – Elimination of capital tax as of July 1, 2010. The March 25, 2008 Ontario budget proposed to retroactively eliminate capital tax, effective January 1, 2007, for Ontario companies primarily engaged in manufacturing and resource activities.

⁵ Manitoba – 0.3% where taxable capital (TC) does not exceed \$10M; 0.5% where TC exceeds \$11M. Where TC is between \$10M and \$11M: \$30,000 plus 2.5% (TC - \$10M). Effective for fiscal years commencing after January 1, 2008: 0.2% on TC between \$0 - \$10M; 0.4% for TC in excess of \$11M. Where TC is between \$10M and \$11M: \$20,000 plus 2.4% (TC - \$10M). Effective for fiscal years commencing after January 1, 2009: 0.1% on TC between \$0 - \$10M; 0.3% on TC in excess of \$11M; where TC is between \$10M and \$11M: \$10,000 plus 2.3% (TC - \$10M). Effective for fiscal years commencing after January 1, 2010: nil on TC between \$0 - \$10M; 0.2% on TC in excess of \$11M; where TC is between \$10M and \$11M: 2.2% (TC - \$10M). The April 9, 2008 Manitoba budget confirmed the previously announced elimination of the capital tax as of December 31, 2010. The budget also proposed the elimination of capital tax, effective July 1, 2008, for manufacturing and processing corporations. Note that TC takes into account the \$10M deduction.

⁶ Saskatchewan – Reductions in rates as of July 1 of each year. Complete elimination as of July 1, 2008 for all corporations other than provincial crown corporations and financial institutions. Non-refundable tax credit from July 1, 2006 to June 30, 2008 for capital investments such as qualified depreciable property made by eligible corporations.

⁷ Nova Scotia – TC of less than \$5 million: no capital tax. TC between \$5 million and \$10 million (\$5 million exemption): higher rates. TC in excess of \$10 million (no exemption available): lower rates. Rate reductions as of July 1 of each year. Complete elimination as of July 1, 2012.

⁸ New Brunswick – Capital tax was eliminated as of January 1, 2009.