

Corporate Tax Rates^{1&2}

2021 Federal Rate	Active Business Income	M&P Income	Active Business Income
General Corporate Rate	38%	38%	Small Business Rate
Federal Abatement	10%	10%	Federal Abatement
	28%	28%	28%
Rate or M&P Reduction	13%	13%	Small Business Deduction
Net General Corporate Rate	15%	15%	Net Small Business Rate
			9%
2021 Ontario Provincial Rate	Lower Rate	Higher Rate	Lower Rate
General Corporate Rate	3.2%	11.5%	Small Business Rate
			3.2%

* Federal and provincial corporate tax rates are stackable

* Ontario tax credit for M&P (manufacturing and processing) is eligible for taxable income during the tax year for Canadian profits from manufacturing and processing, farming, fishing, logging, mining, the generation of electrical energy for sale, or the production of steam for sale

* The Ontario M&P tax credit cannot be claimed on the corporations income that is subject to the Ontario small business deduction resulting in a 3.2% tax rate

Personal Tax Rates¹

2021 Federal Rates	Income Bracket	Rate
First \$49,020 taxable income	\$0 to \$49,020	15%
On the next \$49,020	\$49,020 to \$98,040	20.5%
On the next \$53,939	\$98,040 to \$151,978	26%
On the next \$64,533	\$151,978 to \$216,511	29%
On amount over \$216,511	Over \$216,511	33%
2021 Ontario Provincial Rates	Income Bracket	Rate
First \$45,142 of taxable income	\$0 to \$45,142	5.05%
On the next \$45,145	\$45,142 to \$90,287	9.15%
On the next \$59,713	\$90,287 to \$150,000	11.16%
On the next \$70,000	\$150,000 to \$220,000	12.16%
On amount over \$220,000	Over \$220,000	13.16%

*Federal and provincial person tax rates are stackable

2021 Federal & Provincial Personal Tax Calculation³

\$75,000	Taxable Income
\$15,068	Tax Payable
20.09%	Average Tax Rate
\$59,933	After-Tax Income

HST²

13%

The Harmonized Sales Tax (HST) is 13% in Ontario. Relief is provided on the provincial 8% portion on specific items.

For more information, please see <http://www.fin.gov.on.ca/en/tax/hst/#pos>

Sources

¹ CRA

² Ontario Ministry of Finance

³ Ernst & Young. 2021 Personal Tax Rate Calculator.

For more detailed statistics or to request customized reports, please contact us.



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