

## 2026 TAX FACTS

Personal Income Tax Rates (Including Surtaxes)						Corporate Income Tax Rates (Calendar Year-Ends)			
Taxable Income		Tax*	Marginal Rate	Dividends**		Federal	Ontario	Combined	
From	To			Eligible	Non-Eligible				
-	53,891	7,142	19.05%	-8.24%	8.09%	Basic	15.00%	11.50%	26.50%
53,892	58,523	8,215	23.15%	-2.58%	12.80%	Manufacturing	15.00%	10.00%	25.00%
58,524	94,907	19,003	29.65%	6.39%	20.28%	Small Business	9.00%	3.20%	12.20%
94,908	107,785	23,057	31.48%	8.92%	22.38%	Investment - CCPC	38.67%	11.50%	50.17%
107,786	111,814	24,422	33.89%	12.24%	25.16%	Investment - Non-CCPC	15.00%	11.50%	26.50%
111,815	117,045	26,405	37.91%	17.79%	29.78%	Future Corporate Tax Rates (Calendar Year-Ends)			
117,046	150,000	40,711	43.41%	25.38%	36.10%		2025	2026	2027
150,001	181,440	54,849	44.97%	27.53%	37.90%	Basic	26.50%	26.50%	26.50%
181,441	220,000	73,458	48.26%	32.07%	41.68%	Manufacturing	25.00%	25.00%	25.00%
220,001	258,482	92,630	49.82%	34.22%	43.47%	Small Business	12.20%	12.20%	12.20%
258,483	Excess	-	53.53%	39.34%	47.74%	Investment - CCPC	50.17%	50.17%	50.17%
* calculated on the upper limit of each bracket ("to" column) allowing for the basic personal credit only and excluding Ontario Health Premium.						Investment - Non-CCPC	26.50%	26.50%	26.50%
** actual dividends received from Canadian companies.						Income Earned Personally Vs. Income Earned Through a Corporation (Calendar Year-Ends)			
<b>Maximum tax-free dividend receipt:</b>						<b>Based on tax bracket at:</b>			
(dividend income only, excludes Ontario Health Premium & AMT)						ABI Eligible for SBD (<\$500,000)	43.41%	48.26%	53.53%
<b>Other Personal</b>						Initial corporate tax	12.20	12.20	12.20
<b>Eligible Dividends:</b> Gross-Up: 38% Fed DTC (of GU): 6/11						Tax on distribution	31.70	36.59	41.92
<b>Non-Eligible Dividends:</b> Gross-Up: 15% Fed DTC (of GU): 9/13							43.90	48.79	54.12
<b>Canada Child Benefit (replaces UCCB)</b> - new non-taxable benefit based on income						Deferral/(Prepayment)	31.21	36.06	41.33
<b>CPP</b> - If under 65 and working, CPP contributions are mandatory. If 65 or older but under 70 and working, can elect not to contribute to CPP.						(Cost)/Savings	(0.49)	(0.54)	(0.59)
<b>Other Corporate</b>						ABI Eligible for Ontario SBD Only			
<b>Refundable Tax on CCPC Investment Income:</b> 10.67%						Initial corporate tax	18.20	18.20	18.20
<b>Aggregate Investment Income included in NERDTH:</b> 30.67%						Tax on distribution (eligible dividends only)	20.76	26.23	32.18
<b>Dividend Refund Rate for Private Corporations:</b>							38.96	44.43	50.38
Eligible Dividends 38.33%						Deferral/(Prepayment)	25.21	30.06	35.33
Non-Eligible Dividends 38.33%						(Cost)/Savings	4.45	3.83	3.15
<b>Reduction in Small Business Deduction:</b>						<b>General Rate Income</b>			
<b>Passive Income Business Limit Reduction</b> 50,000.00 150,000.00						Initial corporate tax	26.50	26.50	26.50
<b>Taxable Capital Business Limit Reduction</b> 10,000,000.00 50,000,000.00						Tax on distribution (eligible dividends only)	18.65	23.57	28.92
<b>Automobile Limits</b>							45.15	50.07	55.42
<b>Travel allowances (tax exempt)</b>						Deferral/(Prepayment)	16.91	21.76	27.03
First 5,000 kms 0.73						(Cost)/Savings	(1.74)	(1.81)	(1.89)
Thereafter 0.67						<b>Canadian Investment Income w/ Refundable Part I Tax</b>			
<b>Deduction limits (plus applicable taxes)</b>						Initial corporate tax	50.17	50.17	50.17
Capital (passenger vehicles): \$ 39,000 Capital (ZEV): \$ 61,000						Net of NERDTH refund	19.50	19.50	19.50
Leasing \$1100/Month						Tax on distribution	29.06	33.55	38.43
Interest \$350/Month							48.56	53.05	57.93
<b>CPP &amp; EI Contributions</b>						Deferral/(Prepayment)	(6.76)	(1.91)	3.36
<b>CPP</b>						(Cost)/Savings	(5.15)	(4.79)	(4.40)
Max. pensionable earnings \$ 71,300 \$ 85,000						<b>Canadian Dividend Income Subject to Part IV Tax</b>			
Basic exemption \$ 3,500 \$ 74,600						Initial corporate tax	38.33	38.33	38.33
Contribution rate 5.95% 4.00%						Net of ERDTH refund***	-	-	-
Max. contribution \$ 4,230.45 \$ 416.00						Tax on distribution (eligible dividends)	25.38	32.07	39.34
<b>EI</b>							25.38	32.07	39.34
Max. insurable earnings \$ 68,900						Deferral/(Prepayment)	(12.95)	(6.26)	1.01
Contribution rate 1.63%						(Cost)/Savings	-	-	-
Max. premium \$ 1,123.07									
<b>Other</b>						*** assumes full recovery of ERDTH			
OAS repayment (15% of excess) \$ 93,454									
EI clawback limit (1.25 x max insurable earnings) \$ 86,125									
2025 RRSP dollar limit \$ 32,490									
2026 RRSP dollar limit \$ 33,810									
2026 TFSA limit \$ 7,000									