

TAX RATES – 2026

INDIVIDUALS

ONTARIO												
SALARY AND OTHER INCOME			DIVIDENDS									
Taxable Income (\$)	Taxes Payable (\$)*	Marginal Rate (%)**	Regular					Eligible				
			Actual Dividend Received (\$)**	Federal Tax (\$)*	Provincial Tax (\$)*	Taxes Payable (\$)*	Marginal Rate (%)**	Actual Dividend Received (\$)**	Federal Tax (\$)*	Provincial Tax (\$)*	Taxes Payable (\$)*	Marginal Rate (%)**
First 12,989	0	0.00	First 27,639	(2,303)	(644)	0	0.00	First 39,051	(2,303)	(644)	0	0.00
12,989 to 16,452	0	5.05	27,639 to 40,300	(724)	0	0	2.37	39,051 to 42,408	(2,853)	(3,324)	0	0.00
16,452 to 53,891	175	19.05	40,300 to 46,862	0	300	300	8.09	42,408 to 68,773	(2,900)	(3,363)	0	0.00
53,891 to 58,523	7,307	23.15	46,862 to 50,890	375	456	831	12.80	68,773 to 78,105	(906)	(3,672)	0	0.00
58,523 to 94,907	8,379	29.65	50,890 to 82,528	605	742	1,347	20.28	78,105 to 80,755	(200)	(3,546)	0	7.56
94,907 to 107,785	19,167	31.48	82,528 to 93,726	4,778	2,984	7,763	22.38	80,755 to 81,025	0	(3,422)	0	7.56
107,785 to 111,814	23,221	33.89	93,726 to 97,230	6,256	4,014	10,269	25.16	81,025 to 84,815	20	(3,409)	20	7.56
111,814 to 117,045	24,587	37.91	97,230 to 101,778	6,718	4,433	11,151	29.78	84,815 to 108,696	307	(3,021)	307	15.15
117,045 to 150,000	26,570	43.41	101,778 to 130,435	7,318	5,188	12,505	36.10	108,696 to 113,378	3,926	(580)	3,926	15.15
150,000 to 181,440	40,876	44.97	130,435 to 157,774	12,910	9,941	22,851	37.90	113,378 to 131,478	4,635	0	4,635	27.53
181,440 to 220,000	55,014	48.26	157,774 to 191,304	18,245	14,966	33,212	41.68	131,478 to 159,420	7,378	2,400	9,618	32.07
220,000 to 258,482	73,625	49.82	191,304 to 224,767	26,060	21,129	47,189	43.47	159,420 to 187,306	12,882	5,699	18,581	34.22
In excess of 258,482	92,798	53.53	In excess of 224,767	33,858	27,880	61,738	47.74	In excess of 187,306	18,376	9,751	28,127	39.34

QUÉBEC												
SALARY AND OTHER INCOME			DIVIDENDS									
Taxable Income (\$)	Taxes Payable (\$)*	Marginal Rate (%)**	Regular					Eligible				
			Actual Dividend Received (\$)**	Federal Tax (\$)*	Provincial Tax (\$)*	Taxes Payable (\$)*	Marginal Rate (%)**	Actual Dividend Received (\$)**	Federal Tax (\$)*	Provincial Tax (\$)*	Taxes Payable (\$)*	Marginal Rate (%)**
First 16,452	0	0.00	First 21,807	(2,258)	(2,600)	0	0.00	First 39,380	(2,258)	(2,600)	0	0.00
16,452 to 18,952	0	11.69	21,807 to 40,300	(1,057)	0	0	12.17	39,380 to 42,408	(2,857)	(1,403)	0	0.00
18,952 to 54,345	292	25.69	40,300 to 47,257	0	2,250	2,250	16.94	42,408 to 53,311	(2,900)	(1,098)	0	0.00
54,345 to 58,523	9,385	30.69	47,257 to 50,890	332	3,096	3,428	22.69	53,311 to 78,754	(2,076)	0	0	10.07
58,523 to 108,680	10,667	36.12	50,890 to 94,504	505	3,747	4,253	28.93	78,754 to 80,755	(151)	2,563	2,563	16.97
108,680 to 117,045	28,782	41.12	94,504 to 101,778	5,309	11,562	16,871	34.68	80,755 to 84,815	0	2,903	2,903	23.29
117,045 to 132,245	32,222	45.71	101,778 to 114,996	6,110	13,283	19,394	39.96	84,815 to 95,830	256	3,592	3,848	29.63
132,245 to 181,440	39,170	47.46	114,996 to 157,774	8,264	16,411	24,676	41.97	95,830 to 131,478	1,650	5,462	7,112	32.04
181,440 to 258,482	62,518	50.21	157,774 to 224,767	15,235	27,397	42,632	45.13	131,478 to 187,306	6,160	12,374	18,534	35.83
In excess of 258,482	101,202	53.31	In excess of 224,767	28,271	44,600	72,872	48.70	In excess of 187,306	15,344	23,198	38,542	40.11

* The amount of tax is calculated based on the minimum taxable income of the tax bracket.

** The marginal rate is the tax payable on an additional dollar of income within the tax bracket.

*** The gross-up rate for eligible dividends is 38% and the gross-up rate for regular dividends is 15%, both at the Federal level and in Québec.

These tables take into account provincial surtax, refundable Québec abatement and the basic personal non-refundable credits only.

At the Federal level, these tables do not take into account the alternative minimum tax.

The Québec tables do not take into account the alternative minimum tax and the contribution to HSF.

The Ontario tables do not take into account the Ontario Tax Reduction, the Ontario additional tax for minimum tax purposes and the health premiums.

MAXIMUM COMBINED MARGINAL RATES					
Taxable Income	Ontario			Québec	
	(\$181,440 to \$220,000)	(\$220,000 to \$258,482)	(Over \$258,482)	(\$181,440 to \$258,482)	(Over \$258,482)
	%	%	%	%	%
Eligible dividends	32.07	34.22	39.34	35.83	40.11
Regular dividends	41.68	43.47	47.74	45.13	48.70
Capital gains	24.13	24.91	26.76	25.10	26.65
Other income	48.26	49.82	53.53	50.21	53.31

INCOME TAX RATES FOR 2026					
FEDERAL ^{2,3}		ONTARIO		QUÉBEC	
\$0 - \$58,523	14%	\$0 - \$53,891	5.05%	\$0 - \$54,345	14%
\$58,523 - \$117,045	20.5%	\$53,891 - \$107,785	9.15% ¹	\$54,345 - \$108,680	19%
\$117,045 - \$181,440	26%	\$107,785 - \$150,000	11.16% ¹	\$108,680 - \$132,245	24%
\$181,440 - \$258,482	29%	\$150,000 - \$220,000	12.16% ¹	\$132,245 and over	25.75%
\$258,482 and over	33%	\$220,000 and over	13.16% ¹		

¹ NOTE: These rates do not include Ontario Surtax, which is equal to 20% of provincial tax over \$5,818 and 36% of provincial tax over \$7,446.

² Residents of Québec are entitled to a refundable Québec abatement equal to 16.5% of the Federal tax payable.

³ Old age security: 15% of net income over \$95,323 must be reimbursed.

BASIC PERSONAL AMOUNT FOR 2026		
FEDERAL	ONTARIO	QUÉBEC
(14%) \$16,452 ¹	(5.05%) \$12,989	(14%) \$18,952

DEFERRED INCOME PLANS – MAXIMUM ANNUAL CONTRIBUTIONS		
YEAR	RRSP	RPP
2025	\$32,490	\$33,810
2026	\$33,810	\$35,390
2027	\$35,390	Indexed

¹ This amount applies to individuals whose net income for the year is less than or equal to the amount at which the 29% tax rate applies. This amount is reduced gradually to reach \$14,829 for individuals whose net income is greater than or equal to the time at which the 33% tax rate applies.

EMPLOYERS

Canada or Québec Pension Plan – 2026		ONTARIO		QUÉBEC	
Maximum pensionable earnings	5.95%	\$ 74,600.00	6.3%	\$ 74,600.00	
Annual basic exemption	5.95%	3,500.00	6.3%	3,500.00	
Maximum for calculation of contribution	4%	10,400.00	4%	10,400.00	
Maximum contribution					
- employee/employer		4,646.45		4,895.30	
- self-employed		9,292.90		9,790.60	
Employment Insurance – 2026		ONTARIO		QUÉBEC	
Maximum insurable earnings		\$ 68,900.00		\$ 68,900.00	
Maximum contribution					
- employee	1.630%	1,123.07	1.30%	895.70	
- employer (1.4 times)	2.282%	1,572.30	1.82%	1,253.98	
Québec Parental Insurance Plan – 2026					
Maximum insurable earnings				\$ 103,000.00	
Maximum contribution					
- employee	0.430%			442.90	
- employer	0.602%			620.06	
- self-employed	0.764%			786.92	
Health Insurance (Ontario)					
- Calculation based on total payroll.					
- Exemption of \$1,000,000 for eligible affiliated employer groups having a total annual payroll of less than \$5M.					
		- \$0 to \$200,000			0.98%
		- \$200,000 to \$400,000		varies between 1.101 and 1.829	
		- Over \$400,000			1.95
Health Services Fund (Québec)					
- Calculation based on total payroll.					
		- \$0 to \$1,000,000			1.65%
		- \$1,000,000 to \$7,800,000		varies between 1.65 and 4.26	
		- Over \$7,800,000			4.26
Car Allowance:					
- 0 to 5,000 km		\$0.73/km			
- 5,001 km and up		\$0.67/km			
Vehicle Threshold:					
- Purchase: \$39,000 plus GST, QST or HST. Lease: \$1,100 plus GST, QST or HST. Purchase interest: \$350/month.					

CORPORATIONS

CORPORATE TAX RATE FOR 2026 (assuming year-end is December 31)

	Federal	Ontario	Québec	COMBINED	
				Ontario	Québec
Active business income					
Less than \$500,000	% 9.0 (1)	% 3.2 (1)	% 3.2 (1)	% 12.2	% 12.2
In excess of \$500,000	15.0	11.5	11.5	26.5	26.5
Inactive business income	38.67 (2)	11.5	11.5	50.17	50.17

(1) The \$500,000 threshold is progressively reduced for large corporations (between \$10M and \$50M in taxable capital).

(2) Refundable tax of 30.67% is reimbursed at a rate of 38.33% of taxable dividends paid.

USEFUL REFERENCES – CANADA REVENUE AGENCY – TAX SERVICES

Ottawa Office

333 Laurier Avenue West
Ottawa ON K1A 0L9
Fax: 613 952-1982

Payment by mail or drop box

P.O. Box 3800, Station A
Sudbury ON P3A 0C3

Western Québec Tax Service Office (Gatineau)

300-85 Chemin de La Savane
Gatineau QC J8T 8L5
Fax: 819 994-1103

REVENU QUÉBEC

170, rue de l'Hôtel-de-Ville, 6th Floor
Gatineau QC J8X 4C2

Direction principale des relations avec la clientèle des particuliers

3800, rue de Marly
Québec QC G1X 4A5
Tel.: 1 800 267-6299 (Individual)

Direction principale des relations avec la clientèle des entreprises

C.P. 3000, succursale Place-Desjardins
Montréal, Québec H5B 1A4
Tel.: 1 800 567-4692 (Business)

Telephone

1 800 959-7383 (French - Individual)
1 800 959-8281 (English - Individual)
1 800 959-7775 (French - Business)
1 800 959-5525 (English - Business)
1 800 267-6999 (Tax Information Phone Service)

International Office

P.O. Box 20000, Station A
Sudbury ON P3A 5C1

ONTARIO MINISTRY OF FINANCE

(Employer Health Tax)
33 King Street West
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Oshawa ON L1H 8H9
Tel.: 1 866 668-8297
Fax: 1 866 888-3850

Sudbury Office

(Ottawa, Outaouais and Montreal Residents – All corr. except for T1 hard copy)
P.O. Box 20000, Station A
Sudbury ON P3A 5C1
Fax: 1 855 276-1529

Prince Edward Island Office

(Businesses located in Ottawa, Outaouais and Montreal)
275 Pope Road
Summerside PE C1N 6A2
Fax: 1 902 432-6287

CORPORATE STATUTE INFO

FEDERAL
Industry Canada: www.ic.gc.ca

QUÉBEC

REQ: 1 800 644-0075
www.quebec.ca/entreprises-et-travailleurs-autonomes

Consult our Website for other useful links: www.marciel-lavallee.ca