

TAX RATES – 2023

INDIVIDUALS

ONTARIO												
SALARY AND OTHER INCOME			DIVIDENDS									
			Regular					Eligible				
Taxable Income (\$)	Taxes Payable (\$)*	Marginal Rate (%)**	Actual Dividend Received (\$)***	Federal Tax (\$)*	Provincial Tax (\$)*	Taxes Payable (\$)*	Marginal Rate (%)**	Actual Dividend Received (\$)***	Federal Tax (\$)*	Provincial Tax (\$)*	Taxes Payable (\$)*	Marginal Rate (%)**
First 11,865	0	0.00	First 25,245	(2,250)	(599)	0	0.00	First 35,675	(2,250)	(599)	0	0.00
11,865 to 15,000	0	5.05	25,245 to 32,773	(517)	0	0	2.37	35,675 to 38,666	(2,260)	(3,036)	0	0.00
15,000 to 49,231	158	20.05	32,773 to 42,810	0	179	179	9.24	38,666 to 62,825	(2,259)	(3,071)	0	0.00
49,231 to 53,359	7,022	24.15	42,810 to 46,399	689	417	1,106	13.95	62,825 to 68,557	(434)	(3,355)	0	0.00
53,359 to 86,698	8,019	29.65	46,399 to 75,390	935	671	1,607	20.28	68,557 to 71,350	0	(3,422)	0	7.56
86,698 to 98,463	17,904	31.48	75,390 to 85,620	4,759	2,726	7,486	22.38	71,350 to 74,011	211	(3,455)	211	7.56
98,463 to 102,135	21,607	33.89	85,620 to 88,813	6,109	3,667	9,776	25.16	74,011 to 77,331	412	(3,412)	412	7.56
102,135 to 106,717	22,852	37.91	88,813 to 92,797	6,530	4,049	10,579	29.78	77,331 to 104,473	664	(3,359)	664	15.15
106,717 to 150,000	24,589	43.41	92,797 to 130,435	7,056	4,709	11,765	36.10	104,473 to 108,696	4,776	0	4,776	25.38
150,000 to 165,430	43,378	44.97	130,435 to 143,852	14,401	10,952	25,353	37.90	108,696 to 119,877	5,416	432	5,848	27.53
165,430 to 220,000	50,316	48.29	143,852 to 191,304	17,019	13,419	30,438	41.72	119,877 to 159,420	7,110	1,816	8,926	32.11
220,000 to 235,675	76,666	49.85	191,304 to 204,935	28,089	22,141	50,230	43.51	159,420 to 170,779	14,912	6,710	21,622	34.26
In excess of 235,675	84,479	53.53	In excess of 204,935	31,269	24,891	56,159	47.74	In excess of 170,779	17,153	8,361	25,514	39.34

QUÉBEC												
SALARY AND OTHER INCOME			DIVIDENDS									
			Regular					Eligible				
Taxable Income (\$)	Taxes Payable (\$)*	Marginal Rate (%)**	Actual Dividend Received (\$)***	Federal Tax (\$)*	Provincial Tax (\$)*	Taxes Payable (\$)*	Marginal Rate (%)**	Actual Dividend Received (\$)***	Federal Tax (\$)*	Provincial Tax (\$)*	Taxes Payable (\$)*	Marginal Rate (%)**
First 15,000	0	0.00	First 19,355	(2,250)	(2,577)	0	0.00	First 35,707	(2,250)	(2,577)	0	0.00
15,000 to 17,183	0	12.52	19,355 to 32,773	(921)	0	0	13.32	35,707 to 38,666	(2,260)	(951)	0	0.00
17,183 to 49,275	273	27.53	32,773 to 42,848	0	1,787	1,787	19.05	38,666 to 44,012	(2,261)	(612)	0	0.00
49,275 to 53,359	9,107	32.53	42,848 to 46,399	578	3,129	3,706	24.80	44,012 to 68,557	(1,856)	0	0	11.43
53,359 to 98,540	10,435	37.12	46,399 to 85,687	781	3,806	4,587	30.08	68,557 to 71,406	0	2,811	2,811	17.77
98,540 to 106,717	27,205	41.12	85,687 to 92,797	5,108	11,297	16,405	34.68	71,406 to 77,331	180	3,138	3,318	23.29
106,717 to 119,910	30,567	45.71	92,797 to 104,270	5,891	12,979	18,871	39.96	77,331 to 86,891	554	4,143	4,697	29.63
119,910 to 165,430	36,598	47.46	104,270 to 143,852	7,761	15,695	23,456	41.97	86,891 to 119,877	1,764	5,766	7,529	32.04
165,430 to 235,675	58,202	50.23	143,852 to 204,395	14,211	25,859	40,070	45.16	119,877 to 170,779	5,937	12,162	18,099	35.87
In excess of 235,675	91,485	53.31	In excess of 204,935	26,109	41,545	67,654	48.70	In excess of 170,779	14,322	22,031	36,354	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		
	(\$165,430 to \$220,000)	(\$220,000 to \$235,675)	(In excess of \$235,675)	(\$165,430 to \$235,675)	(In excess of \$235,675)	
	%	%	%	%	%	
Eligible dividends	32.11	34.26	39.34	35.87	40.11	
Regular dividends	41.72	43.51	47.74	45.16	48.70	
Capital gains	24.14	24.92	26.76	25.12	26.65	
Other income	48.29	49.85	53.53	50.23	53.31	

INCOME TAX RATES FOR 2023					
FEDERAL ^{2,3}		ONTARIO		QUÉBEC	
\$0 - \$53,359	15%	\$0 - \$49,231	5.05%	\$0 - \$49,275	15%
\$53,359 - \$106,717	20.5%	\$49,231 - \$98,463	9.15% ¹	\$49,275 - \$98,540	20%
\$106,717 - \$165,430	26%	\$98,463 - \$150,000	11.16% ¹	\$98,540 - \$119,910	24%
\$165,430 - \$235,675	29%	\$150,000 - \$220,000	12.16% ¹	\$119,910 and over	25.75%
\$235,675 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 \$5,315 and 36% of provincial tax over \$6,802.

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 \$86,912 must be reimbursed.

BASIC PERSONAL AMOUNT FOR 2023		
FEDERAL	ONTARIO	QUÉBEC
(15%)	(5.05%)	(15%)
\$15,000 ¹	\$11,865	\$17,183

DEFERRED INCOME PLANS – MAXIMUM ANNUAL CONTRIBUTIONS		
YEAR	RRSP	RPP
2022	\$29,210	\$30,780
2023	\$30,780	\$31,560
2023	\$31,560	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 \$13,521 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 – 2023		ONTARIO		QUÉBEC	
Maximum pensionable earnings		\$	66,600.00	\$	66,600.00
Annual basic exemption			3,500.00		3,500.00
Maximum for calculation of contribution			63,100.00		63,100.00
Maximum contribution	- employee/employer		5.95%	6.4%	4,038.40
	- self-employed		11.90%	12.80%	8,076.80
Employment Insurance – 2023		ONTARIO		QUÉBEC	
Maximum insurable earnings		\$	61,500.00	\$	61,500.00
Maximum contribution	- employee		1.630%	1.270%	781.06
	- employer (1.4 times)		2.282%	1.778%	1,093.47
Québec Parental Insurance Plan – 2023					
Maximum insurable earnings				\$	91,000.00
Maximum contribution	- employee		0.494%		449.54
	- employer		0.692%		629.72
	- self-employed		0.878%		798.98
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 \$7,200,000			varies between 1.65 and 4.26	
	- Over \$7,200,000				4.26
Car Allowance:					
- 0 to 5,000 km			\$0.68/km		
- 5,001 km and up			\$0.62/km		
Vehicle Threshold:					
- Purchase: \$36,000 plus GST, QST or HST. Lease: \$950 plus GST, QST or HST. Purchase interest: \$300/month.					

CORPORATIONS

CORPORATE TAX RATE FOR 2023 (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 for taxation years beginning on or after April 7, 2022).

(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
P.O. Box 625
Oshawa ON L1H 8H5
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.registreentreprises.gouv.qc.ca

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