

More than just Alberta tax rates

It's important to know your tax rates, but it's what you do with this information that really counts. The experienced advisors at Grant Thornton LLP will help you strategically navigate today's tax issues, plan for tomorrow, and achieve your greatest potential. Let's create the roadmap to your goals.

2022 AB rate card: Combined federal and provincial personal income tax rates*						
Taxable income	Taxes payable on salary / interest income	Effective tax rate	Marginal tax rate on incremental income			
			Salary / Interest income	Capital gains	Eligible dividends	Non eligible dividends
20,000	903	4.52%	25.00%	12.50%	2.57%	15.86%
30,000	3,403	11.34%	25.00%	12.50%	2.57%	15.86%
40,000	5,903	14.76%	25.00%	12.50%	2.57%	15.86%
50,000	8,403	16.81%	25.00%	12.50%	2.57%	15.86%
60,000	11,442	19.07%	30.50%	15.25%	10.16%	22.18%
70,000	14,492	20.70%	30.50%	15.25%	10.16%	22.18%
80,000	17,542	21.93%	30.50%	15.25%	10.16%	22.18%
90,000	20,592	22.88%	30.50%	15.25%	10.16%	22.18%
100,000	23,642	23.64%	30.50%	15.25%	10.16%	22.18%
110,000	27,221	24.75%	36.00%	18.00%	17.75%	28.51%
120,000	30,821	25.68%	36.00%	18.00%	17.75%	28.51%
150,000	41,997	28.00%	38.00%	19.00%	20.51%	30.81%
175,000	52,327	29.90%	42.38%	21.19%	26.55%	35.85%
200,000	62,922	31.46%	42.38%	21.19%	26.55%	35.85%
300,000	109,037	36.35%	47.00%	23.50%	32.93%	41.16%
314,929	116,054	36.85%	48.00%	24.00%	34.31%	42.31%
400,000	156,887	39.22%	48.00%	24.00%	34.31%	42.31%
500,000	204,887	40.98%	48.00%	24.00%	34.31%	42.31%

2022 Federal personal tax credits	
Basic*	\$14,398
Spouse*	\$14,398
Age	\$7,898
Disability	\$8,870
Pension	\$2,000

2022 OAS repayment income threshold	
Clawback at 15% in excess of	\$81,761

CPP	
Rate (employee/ employer) ¹	5.70%
Max. contribution	\$3,499.80
Max. pensionable earnings	\$64,900
Basic exemption	\$3,500

EI	
Employee rate	1.58%
Max. employee premium	\$952.74
Max. insurable earnings	\$60,300

Note 1: 4.95% contribution will be allowed as a non-refundable tax credit and 0.75% additional contribution will be allowed as a deduction from income on the tax return.

***Note:** These rates take into account the basic personal tax credits only and do not include the impact of alternative minimum tax. Mixed income sources will change the effective rates. Calculations are based on rate changes up to November 2, 2021. Rates are subject to change.

Alberta - Integration for 2022 calendar year¹

Individuals		
	Tax rates ^{2,3}	Reference
Other income	48.00	A
Capital gains	24.00	B
Eligible dividends (actual amount)	34.31	C
Ineligible dividends (actual amount)	42.31	D

AB Corporation income tax rates for CCPCs ⁷ :		
	Tax rates ^{2,3}	Reference
ABI		
up to \$500,000	11.00	
over \$500,000	23.00	
Investment income	46.67	

Corporations - Active business income		
Eligible for the Small Business Deduction (SBD)	Tax rates ³	Reference
Initial corporate tax	11.00	E
Tax on distribution (ineligible dividend)	37.66	
Combined tax	48.66	F
Deferral	37.00	A-E
Savings/(Cost) ⁴	(0.66)	A-F
General income not eligible for SBD or M&P deduction		
Initial corporate tax	23.00	G
Tax on distribution (eligible dividend)	26.42	
Combined tax	49.42	H
Deferral	25.00	A-G
Savings/(cost) ⁴	(1.42)	A-H

Canadian controlled private corporations - Canadian investment income ⁵		
Interest income eligible for refundable part I tax	Tax rates ³	Reference
Initial corporate tax	46.67	I
Net of NERDTOH refund	16.00	
Tax on distribution (ineligible dividend)	35.54	
Combined tax	51.54	J
Deferral (prepayment)	1.33	A-I
Savings/(cost) ⁴	(3.54)	A-J
Capital gains eligible for refundable part I tax		
Initial corporate tax	23.34	K
Net of NERDTOH refund	8.00	
Tax on distribution (ineligible dividend) ⁶	17.77	
Combined tax	25.77	L
Deferral (prepayment)	0.66	B-K
Savings/(cost) ⁴	(1.77)	B-L
Dividend income subject to part IV tax		
Initial corporate tax	38.33	M
Net of Part IV tax refund	0.00	
Tax on distribution (ineligible dividend)	42.31	
Combined tax	42.31	N
Deferral (prepayment)	3.98	D-M
Savings/(cost) ⁴	0.00	D-N

Notes and assumptions:

- 1 All calculations are based on rate changes announced up to Nov 2, 2021.
- 2 All calculations are based on the top marginal federal-provincial personal tax rate.
- 3 Tax rates are expressed as a percentage.
- 4 This represents the tax savings/(costs) of distributing the after-tax corporate income as dividends as opposed to a salary/bonus.
- 5 This table assumes dividends can be paid fully to recover non-eligible or eligible RDTOH.
- 6 It is assumed that the non-taxable portion of the capital gain is distributed as a tax-free capital dividend.
- 7 Corporate tax rates do not factor in rules that grind the business limit or other rules that might impact the effective tax rate in a province. Please consider other items that may affect corporate tax rates in any given situation.



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