

More than just Ontario 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 ON 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	1,287	6.44%	20.05%	10.03%	0.00%	9.24%
30,000	3,292	10.98%	20.05%	10.03%	0.00%	9.24%
40,000	5,297	13.24%	20.05%	10.03%	0.00%	9.24%
50,000	7,457	14.91%	24.15%	12.08%	0.00%	13.95%
60,000	10,411	17.35%	29.65%	14.83%	6.39%	20.28%
70,000	13,376	19.11%	29.65%	14.83%	6.39%	20.28%
80,000	16,341	20.43%	29.65%	14.83%	6.39%	20.28%
90,000	19,463	21.63%	31.48%	15.74%	8.92%	22.38%
100,000	22,958	22.96%	37.91%	18.95%	17.79%	29.78%
110,000	27,278	24.80%	43.41%	21.70%	25.38%	36.10%
120,000	31,619	26.35%	43.41%	21.70%	25.38%	36.10%
150,000	44,642	29.76%	44.97%	22.48%	27.53%	37.90%
175,000	56,539	32.31%	48.35%	24.17%	32.20%	41.78%
200,000	68,626	34.31%	48.35%	24.17%	32.20%	41.78%
221,709	79,149	35.70%	53.53%	26.76%	39.34%	47.74%
300,000	121,058	40.35%	53.53%	26.76%	39.34%	47.74%
400,000	174,588	43.65%	53.53%	26.76%	39.34%	47.74%
500,000	228,117	45.62%	53.53%	26.76%	39.34%	47.74%

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)*	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:** 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.

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.

Ontario - Integration for 2022 calendar year¹

Individuals		
	Tax rates ^{2,3}	Reference
Other income	53.53	A
Capital gains	26.77	B
Eligible dividends (actual amount)	39.34	C
Ineligible dividends (actual amount)	47.74	D

ON Corporation income tax rates for CCPCs ⁸ :		
	Tax rates ^{2,3}	Reference
ABI		
up to \$500,000	12.20	
over \$500,000	26.50	
Investment income	50.17	

Corporations - Active business income		
Eligible for the Small Business Deduction (SBD)	Tax rates ³	Reference
Initial corporate tax	12.20	E
Tax on distribution (ineligible dividend)	41.92	
Combined tax	54.12	F
Deferral	41.33	A-E
Savings/(Cost) ⁴	(0.59)	A-F
General income not eligible for SBD or M&P deduction		
Initial corporate tax	26.50	G
Tax on distribution (eligible dividend)	28.91	
Combined tax	55.41	H
Deferral	27.03	A-G
Savings/(cost) ⁴	(1.88)	A-H
Eligible for the M&P deduction (in excess of SBD)		
Initial corporate tax	25.00	O
Tax on distribution (eligible dividend)	29.51	
Combined tax	54.51	P
Deferral	28.53	A-O
Savings/(cost) ⁴	(0.98)	A-P
Eligible for the Prov SBD (in excess of Fed SBD) ⁷		
Initial corporate tax	18.20	Q
Tax on distribution (eligible dividend)	32.18	
Combined tax	50.38	R
Deferral	35.33	A-Q
Savings/(cost) ⁴	3.15	A-R

Canadian controlled private corporations - Canadian investment income ⁵		
Interest income eligible for refundable part I tax	Tax rates ³	Reference
Initial corporate tax	50.17	I
Net of NERDTH refund	19.50	
Tax on distribution (ineligible dividend)	38.43	
Combined tax	57.93	J
Deferral (prepayment)	3.36	A-I
Savings/(cost) ⁴	(4.40)	A-J
Capital gains eligible for refundable part I tax		
Initial corporate tax	25.09	K
Net of NERDTH refund	9.75	
Tax on distribution (ineligible dividend) ⁶	19.22	
Combined tax	28.97	L
Deferral (prepayment)	1.68	B-K
Savings/(cost) ⁴	(2.20)	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)	47.74	
Combined tax	47.74	N
Deferral (prepayment)	9.41	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 The federal government introduced rules that grind down the federal business limit when passive income exceeds \$50,000 (\$5 reduction to the business limit, \$500k, for every \$1 of passive income over the \$50,000 threshold). In its 2018 Fall Economic Statement, the Ontario government announced that it would not parallel these rules. The rates shown apply when the federal business limit has been ground down to nil such that the general corporate rate would apply federally, but the small business rate still applies provincially.
- 8 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.



Audit | Tax | Advisory

© 2022 Grant Thornton LLP. A Canadian Member of Grant Thornton International Ltd. All rights reserved.

About Grant Thornton LLP in Canada

Grant Thornton LLP is a leading Canadian accounting and advisory firm providing audit, tax and advisory services to private and public organizations. We help dynamic organizations unlock their potential for growth by providing meaningful, actionable advice through a broad range of services. Grant Thornton LLP is a Canadian member of Grant Thornton International Ltd, whose member and correspondent firms operate in over 100 countries worldwide.