

2025 Marginal Personal Tax Rates

The table below outlines the 2025 top combined Federal and provincial/territorial marginal personal tax rates. The rates apply to taxable incomes over **\$253,414** in all jurisdictions, with the exception of the following thresholds: **\$259,829** in British Columbia; **\$362,961** in Alberta; **\$400,000** in Manitoba; **\$500,000** in Yukon; and **\$1,128,858** in Newfoundland and Labrador.

2025 Top Federal and Provincial/Territorial Marginal Personal Tax Rates					
Province/Territories	Interest & Ordinary Income	Capital Gains @50% inclusion rate(<\$250K)*	Capital Gains @66.67% inclusion rate (>\$250K)	Canadian Dividends (Eligible)	Canadian Dividends (Non-eligible)
Alberta	48.00%	24.00%	32.00%	34.31%	42.31%
British Columbia	53.50%	26.75%	35.67%	36.54%	48.89%
Manitoba	50.40%	25.20%	33.60%	37.78%	46.67%
New Brunswick	52.50%	26.25%	35.00%	32.40%	46.83%
Newfoundland and Labrador	54.80%	27.40%	36.53%	46.20%	48.96%
Northwest Territories	47.05%	23.53%	31.37%	28.33%	36.82%
Nova Scotia	54.00%	27.00%	36.00%	41.58%	48.28%
Nunavut	44.50%	22.25%	29.67%	33.08%	37.79%
Ontario	53.53%	26.76%	35.69%	39.34%	47.74%
Prince Edward Island	52.00%	26.00%	34.67%	36.54%	47.92%
Quebec	53.31%	26.65%	35.54%	40.11%	48.70%
Saskatchewan	47.50%	23.75%	31.67%	29.64%	40.86%
Yukon	48.00%	24.00%	32.00%	28.93%	44.04%

*Note: Effective for capital gains realized on, or after, June 25, 2024, the capital gains inclusion rate increased from one-half to two-thirds for corporations and trusts, and from one-half to two-thirds on the portion of capital gains realized annually in excess of \$250,000 by individuals. In other words, individuals will be allowed an annual \$250,000 threshold below which the capital gains inclusion rate will remain at the previous rate (50%), which can be combined to reduce the taxation of employee stock option benefits, at the taxpayer's discretion. As of December 2024, the changes to the capital gains inclusion rate remain draft legislation, so it is possible that these amendments may not ultimately be enacted into law as described (or at all), although CRA announced in November 2024 that it will administer the new (proposed) legislation, though it has not yet been formally enacted.

If you have any questions, please connect with your BMO Private Wealth professional.



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