

## Ontario

### Combined federal and provincial personal income tax rates - 2025<sup>1,5</sup>

| Taxable income |                         | Ontario                |                |                                       |                                    |                            |  |
|----------------|-------------------------|------------------------|----------------|---------------------------------------|------------------------------------|----------------------------|--|
| Lower limit    | Upper limit             | Basic tax <sup>2</sup> | Rate on excess | Marginal rate on                      |                                    |                            |  |
|                |                         |                        |                | Eligible dividend income <sup>3</sup> | Other dividend income <sup>3</sup> | Capital gains <sup>4</sup> |  |
| \$ -           | to \$ 16,129            | \$ -                   | 0.00%          | 0.00%                                 | 0.00%                              | 0.00%                      |  |
| 16,130         | to 18,569               | -                      | 15.00%         | 0.00%                                 | 6.87%                              | 7.50%                      |  |
| 18,570         | to 24,391 <sup>6</sup>  | 366                    | 25.10%         | 0.00%                                 | 11.61%                             | 12.55%                     |  |
| 24,392         | to 52,886               | 1,827                  | 20.05%         | 0.00%                                 | 9.24%                              | 10.03%                     |  |
| 52,887         | to 57,375               | 7,541                  | 24.15%         | 0.00%                                 | 13.95%                             | 12.08%                     |  |
| 57,376         | to 93,137               | 8,625                  | 29.65%         | 7.56%                                 | 20.28%                             | 14.83%                     |  |
| 93,138         | to 105,775              | 19,228                 | 31.48%         | 8.92%                                 | 22.38%                             | 15.74%                     |  |
| 105,776        | to 109,723              | 23,207                 | 33.89%         | 12.24%                                | 25.16%                             | 16.95%                     |  |
| 109,724        | to 114,750              | 24,545                 | 37.91%         | 17.79%                                | 29.78%                             | 18.95%                     |  |
| 114,751        | to 150,000              | 26,450                 | 43.41%         | 25.38%                                | 36.10%                             | 21.70%                     |  |
| 150,001        | to 177,882              | 41,752                 | 44.97%         | 27.53%                                | 37.90%                             | 22.48%                     |  |
| 177,883        | to 220,000 <sup>7</sup> | 54,291                 | 48.29%         | 32.11%                                | 41.71%                             | 24.14%                     |  |
| 220,001        | to 253,414 <sup>7</sup> | 74,628                 | 49.85%         | 34.26%                                | 43.50%                             | 24.92%                     |  |
| 253,415        | and up                  | 91,283                 | 53.53%         | 39.34%                                | 47.74%                             | 26.76%                     |  |

- The tax rates include the provincial surtaxes and reflect budget proposals and news releases up to January 15, 2025. The rates do not include the Ontario Health Premium (see note 5 below). Where the tax is determined under the alternative minimum tax provisions (AMT), the above table is not applicable. AMT may be applicable where the tax otherwise payable is less than the tax determined by applying the relevant AMT rate to the individual's taxable income adjusted for certain preference items. Provincial surtax and the Ontario tax reduction are pro-rated if the individual is a multijurisdictional filer.
- The tax determined by the table should be reduced by the applicable federal and provincial tax credits (see chart below), other than the basic personal tax credits, which have been reflected in the calculations (see Note 7 below).
- The rates apply to the actual amount of taxable dividends received from taxable Canadian corporations. Eligible dividends are those paid by public corporations and private companies out of earnings that have been taxed at the general corporate tax rate (the dividend must be designated by the payor corporation as an eligible dividend). Where the dividend tax credit exceeds the federal and provincial tax otherwise payable on the dividends, the rates do not reflect the value of the excess credit that may be used to offset taxes payable from other sources of income. This assumption is consistent with prior year rates. Where applicable, the provincial surtax has been applied prior to deducting the dividend tax credit.
- The rates apply to the actual amount of the capital gain. The 2024 federal budget proposes to increase the capital gains inclusion rate for individuals from one-half to two-thirds on the portion of capital gains realized in the year exceeding \$250,000, for capital gains realized on or after June 25, 2024. For purposes of this table, it is assumed that the net capital gains realized in the year do not exceed \$250,000 and the one-half inclusion rate applies. A capital gains exemption may be available to reduce or eliminate the tax on capital gains from certain qualifying property and qualifying business transfers.
- Individuals resident in Ontario on December 31, 2025 with a combined taxable and split income in excess of \$20,000 must pay the Ontario Health Premium. The premium ranges from \$nil to \$900 depending on the individual's taxable income, with the top premium being payable by individuals with taxable income in excess of \$200,599.
- Individuals resident in Ontario on December 31, 2025 with taxable income up to \$18,569 pay no provincial income tax as a result of a low-income tax reduction. The low-income tax reduction (\$294 of Ontario tax) is clawed back for income in excess of \$18,569 until the reduction is eliminated, resulting in an additional 5.05% of provincial tax on income between \$18,570 and \$24,391.
- The federal basic personal amount comprises two elements: the base amount (\$14,538 for 2025) and an additional amount (\$1,591 for 2025). The additional amount is reduced for individuals with net income in excess of \$177,882 and is fully eliminated for individuals with net income in excess of \$253,414. Consequently, the additional amount is clawed back on net income in excess of \$177,882 until the additional tax credit of \$239 is eliminated; this results in additional federal income tax (e.g., 0.32% on ordinary income) on net income between \$177,883 and \$253,414.

A chart of the most common non-refundable tax credits is available on the next page

## Ontario

### Federal and provincial personal tax credits - 2025<sup>1</sup>

|  | Federal<br>credit | Provincial<br>credit <sup>2,7</sup> |
|--|-------------------|-------------------------------------|
| Amount of credits:   |                   |                                     |
| Basic personal credit (see notes 2 and 7 above) <sup>3,4</sup>   | \$ 2,181          | \$ 1,004                            |
| Spousal credit (reduced when spouse's income over \$0 (federal) and \$1,082 (provincial)) <sup>3,4</sup>                 | 2,181             | 853                                 |
| Equivalent-to-spouse credit (reduced when dependant's income over \$0 (federal) and \$1,082 (provincial)) <sup>3,4</sup> | 2,181             | 853                                 |
| Caregiver credit (reduced when particular person's income over \$20,197 (federal) and \$20,554 (provincial))             | 1,290             | 473                                 |
| Age credit (65 and over) <sup>5</sup>  | 1,354             | 314                                 |
| Disability credit <sup>6</sup>   | 1,521             | 811                                 |
| Pension income (maximum)   | 300               | 139                                 |
| Canada employment credit   | 221               | -                                   |
| Credits as a percentage of:  |                   |                                     |
| Tuition fees   | 15.00%            | -                                   |
| Medical expenses <sup>8</sup>  | 15.00%            | 7.88%                               |
| Charitable donations   |                   |                                     |
| - First \$200  | 15.00%            | 7.88%                               |
| - Remainder <sup>9</sup>   | 29% / 33%         | 17.41%                              |
| CPP contributions <sup>10</sup>  | 15.00%            | 7.88%                               |
| EI premiums  | 15.00%            | 7.88%                               |

1. This table lists the most common non-refundable tax credits; other non-refundable and refundable credits may be available.
2. The tax value of each provincial tax credit includes the reduction in provincial surtax as it would apply to taxpayers in the highest tax bracket (except for the age credit).
3. The federal tax value of the basic personal credit, the spousal credit and the equivalent-to-spouse credit represents the amount available to taxpayers in the highest tax bracket. An additional amount may be available for individuals with taxable income below \$253,414 (see Note 7 to the chart above).
4. A federal caregiver tax credit of \$403 may be available in respect of a spouse, dependant or child who is dependent on the individual by reason of mental or physical infirmity.
5. The maximum federal age credit of \$1,354 occurs at \$45,522 of net income and declines to nil as net income rises to \$105,709. The maximum provincial age credit of \$314 occurs at \$46,330 of net income and declines to nil as net income rises to \$87,817.
6. A federal supplement of \$887 is available for an individual who is under 18 years of age, reduced by the total child care and attendant care expenses claimed for the individual in excess of \$3,464. A provincial supplement of \$473 is available for an individual who is under 18 years of age, reduced for the total child care and attendant care expenses claimed for the individual in excess of \$3,518.
7. A provincial non-refundable tax credit may be available for low-income working individuals and families, providing a maximum credit of \$875 for a single individual and \$1,750 for couples. The credit is reduced by 5% of the greater of the individual's net income exceeding \$32,500 and family net income exceeding \$65,000.
8. The credit applies to eligible medical expenses that exceed the lesser of \$2,834 and 3% of net income. The provincial credit applies to eligible medical expenses that exceed the lesser of \$2,886 and 3% of net income.
9. The federal tax credit rate of 33% applies to charitable donations in excess of \$200 to the extent the individual has taxable income in excess of \$253,414; otherwise, a federal tax credit rate of 29% applies.
10. One-half of CPP paid by self-employed individuals is deductible in computing taxable income.