

NOTE ON INDIVIDUAL TAX RATES 2025

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It may be useful to have a clear idea of the various Canadian tax rates for individuals. The tax rate is expressed as a percentage at which a taxpayer is taxed. Different methods are used to calculate the tax rates, which result in various types. The rates are different depending on the type of income (Canadian dividend income (non-eligible and eligible); capital gains (50% as taxable capital gains); other types of income (ex: employment, business, interest, rental)) and the province / territory where the income is earned. Individual tax rates include both federal and provincial rates. Provincial rate varies for each province.

Types of tax rates

- Statutory tax rate (or tax rate per tax table)
The rate imposed by the Income Tax Act, which varies by various income level.
- Average tax rate
The rate resulting from the calculation of dividing the total tax paid by the total income.
- Marginal tax rate
The rate by which tax expenses are increased (or decreased) by the last dollar of taxable income earned (or deduction claimed).

Summary of Top Marginal Tax Rates per Types of Income - 2025

Taxable income	Ontario				Québec			
	Canadian dividend		*	Other income	Canadian dividend		*	Other income
	non-eligible	eligible			non-eligible	eligible		
\$57,376	20.28%	7.56%	14.83%	29.65%	28.93%	16.39%	18.06%	36.12%
\$114,751	36.10%	25.38%	21.70%	43.41%	39.96%	29.63%	22.86%	45.71%
\$177,883	41.71%	32.11%	24.14%	48.29%	45.16%	35.86%	25.12%	50.23%
\$220,001	43.50%	34.26%	24.92%	49.85%				
\$253,415	47.74%	39.34%	26.76%	53.53%	48.70%	40.11%	26.65%	53.31%

* The rate on capital gains doesn't take into consideration the change in inclusion rate from 1/2 to 2/3 proposed in the April 16, 2024 Federal Budget and cancelled later.