

Reduction to Small Business Corporate Income Tax

Newfoundland and Labrador is tied with Nova Scotia for the lowest small business corporate income tax rate in Atlantic Canada at 3 per cent.

NL	NS	NB	PE
3%	3%	4.5%	4.5%

The threshold has been increased by the Provincial Government four times since 2003, to the current threshold of \$500,000.

Year	Small Business Deduction
2003	\$225,000
2004	\$250,000
2005	\$300,000
2007	\$400,000
2009	\$500,000

Example: An eligible small business in Newfoundland and Labrador with taxable income of \$500,000 pays 70 per cent less corporate income tax today than it would have in 2003.

	2003	2009	2010	2014
Taxable Income	\$500,000	\$500,000	\$500,000	\$500,000
Small Business Threshold	\$225,000	\$500,000	\$500,000	\$500,000
Total Tax Payable	\$49,750	\$25,000	\$20,000	\$15,000
Savings over Prior Year		\$24,750	\$5,000	\$5,000
Cumulative Savings since 2003				\$34,750 ~ 70%