
NEWS RELEASE

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Ministry of Finance

LOWER INCOME TAX RATE BENEFITS B.C. BUSINESSES, JAN. 1, 2011

VICTORIA – Businesses in British Columbia will pay less in provincial corporate income tax as B.C.’s rate drops to 10 per cent (from 10.5 per cent) on Jan. 1, 2011.

“Keeping business taxes low is an essential part of maintaining a competitive tax environment that will attract investment, create jobs and move our economy forward,” said Finance Minister Colin Hansen. “We have reduced taxes to some of the lowest levels in the country, and when combined with planned federal tax rate cuts, by 2012, the corporate income tax rate in B.C. will be the lowest of the G7 nations.”

British Columbia’s record on tax cuts:

- B.C. (along with Alberta) will have the lowest corporate income tax rate in the country on Jan. 1, 2011.
- Lowest provincial personal income tax rate in Canada for individuals earning up to \$118,000 annually.
- Lowest corporate income tax rate of the G7 nations once combined with planned federal tax cuts by 2012.
- Reduced the corporate income tax rate five times for a total reduction of nearly 40 per cent since 2001.
- Eliminated the corporation capital tax.
- One of the lowest small business income tax rates in Canada at 2.5 per cent. The Province intends to reduce this rate to 0 per cent by April 1, 2012.
- Increased the small business corporate income tax threshold by 150 per cent to \$500,000 since 2002.
- Reduced provincial personal income taxes for most taxpayers by 37 per cent or more since 2001 and an additional 325,000 people no longer pay any B.C. income tax.

The February 2009 budget reduced the general corporate income tax rate to 10.5 per cent from 11 per cent effective January 2010, and to 10 per cent effective January 2011.

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