



C.D. Howe Institute
Institut C.D. Howe

June 20, 2006

Federal/Provincial Combined Marginal Effective Tax rates on Capital 1997–2006, 2010

Supplementary Information for:

“Business Tax reform: More Progress Needed,”

a C.D. Howe Institute e-brief

by Duanjie Chen and Jack M. Mintz

Supplementary Information for *Business Tax Reform: More Progress Needed*, by Duanjie Chen and Jack M. Mintz

Table 1
Federal/Provincial Combined Marginal Effective Tax Rates on Capital, 1997

<i>For Canada, the provinces and territories, by industry</i>	Forestry	Manufacturing	Construction	Transportation and storage	Communications	Electrical Power, Gas & Water	Wholesale Trade	Retail Trade	Other Services	Aggregate
	<i>Percent</i>									
Canada	31.6	37.5	48.8	41.3	54.2	44.6	47.4	48.0	50.0	44.3
Newfoundland	-17.4	10.2	30.6	34.1	43.1	23.8	39.1	41.3	42.0	29.2
Prince Edward Island	-63.8	-1.1	48.2	42.5	59.6	36.4	50.1	50.1	59.4	42.5
Nova Scotia	-18.6	-5.7	36.2	40.2	48.5	31.1	44.4	45.5	45.9	30.4
New Brunswick	12.0	26.0	37.8	42.0	49.8	32.8	45.7	46.8	47.2	33.4
Quebec	23.0	28.2	42.1	36.0	44.4	41.0	40.7	41.9	40.1	34.5
Ontario	38.2	41.2	52.5	44.7	58.2	48.7	49.9	50.2	53.9	48.4
Manitoba	21.9	27.1	53.8	46.2	58.7	51.2	52.4	52.2	54.9	46.6
Saskatchewan	20.4	37.2	53.2	46.2	57.5	50.4	52.0	52.2	56.8	46.6
Alberta	33.9	40.7	40.7	37.0	46.3	42.0	41.8	43.1	45.3	41.8
British Columbia	39.8	43.6	51.9	43.9	58.1	48.9	49.6	49.8	52.6	48.4
Northwest Territories	NA	42.8	39.4	35.5	44.7	40.7	40.4	41.7	43.7	42.5
Yukon	NA	27.9	39.5	36.2	44.2	39.6	39.5	42.1	43.9	37.1

Sources: C. D. Howe Institute and International Tax Program, University of Toronto.

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Nova Scotia	-18.8	-6.1	35.3	39.3	47.8	30.1	43.7	44.7	45.1	29.6
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British Columbia	39.7	43.3	51.3	43.2	57.6	48.3	49.0	49.1	52.0	47.9
Northwest Territories	NA	42.5	38.5	34.6	44.0	39.9	39.6	40.8	42.9	41.8
Yukon	NA	27.7	38.6	35.3	43.5	38.8	38.7	41.2	43.0	36.4

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Canada	29.6	35.6	45.3	37.6	51.3	40.4	44.0	44.1	46.3	41.3
Newfoundland	-18.1	8.7	27.4	31.5	40.9	20.5	36.7	38.7	39.5	26.8
Prince Edward Island	-65.2	-3.0	46.3	40.2	58.3	33.9	48.3	48.0	57.9	40.6
Nova Scotia	-19.2	-7.1	33.3	37.7	46.5	28.1	42.2	43.1	43.5	27.9
New Brunswick	8.6	22.2	33.2	38.2	46.3	27.8	42.0	42.9	43.4	29.5
Quebec	22.6	27.5	40.2	34.2	42.7	39.2	38.8	39.8	38.0	33.1
Ontario	37.1	39.5	49.1	40.7	55.4	45.0	46.3	46.0	50.4	45.5
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Northwest Territories	NA	42.0	36.8	32.9	42.6	38.4	38.0	39.1	41.2	40.6
Yukon	NA	27.2	37.0	33.5	42.0	37.3	37.1	39.4	41.3	35.0

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Canada	32.3	37.3	43.9	35.9	50.2	38.6	42.8	42.5	45.1	41.1
Newfoundland	-18.6	7.7	25.3	29.9	39.4	18.4	35.1	36.9	37.9	25.2
Prince Edward Island	-66.2	-4.2	45.0	38.7	57.5	32.2	47.2	46.6	57.0	39.3
Nova Scotia	8.0	17.3	31.4	36.1	45.1	26.1	40.7	41.4	42.0	31.1
New Brunswick	4.5	17.9	28.9	34.8	43.0	23.1	38.7	39.3	40.0	25.6
Quebec	35.9	37.5	39.5	33.6	42.3	38.3	39.0	39.0	40.1	38.5
Ontario	36.9	39.1	48.1	39.5	54.5	43.8	45.1	44.7	49.2	44.7
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Northwest Territories	NA	41.4	35.2	31.2	41.1	36.9	36.4	37.3	39.5	39.3
Yukon	NA	26.7	35.3	31.8	40.6	35.8	35.6	37.7	39.6	33.7

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Prince Edward Island	-69.3	-6.5	43.2	36.5	54.1	29.9	45.3	44.7	54.7	36.5
Nova Scotia	7.7	16.3	29.3	34.2	40.0	23.9	38.9	39.6	39.2	28.7
New Brunswick	3.4	16.3	26.4	32.3	37.6	20.4	36.5	37.2	36.8	22.9
Quebec	35.4	36.6	37.8	31.8	37.6	36.6	37.0	37.1	37.3	36.5
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Yukon	NA	25.1	32.6	29.0	34.3	33.4	32.8	34.9	35.3	30.2

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Nova Scotia	3.6	13.0	26.4	31.5	37.6	20.8	37.1	37.6	37.2	26.0
New Brunswick	-1.6	12.9	23.0	29.2	34.9	16.8	34.4	34.9	34.4	19.6
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Yukon	NA	22.4	29.9	25.7	31.2	30.5	30.8	32.5	32.8	27.3

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Prince Edward Island	-60.6	-4.8	39.5	31.6	51.7	25.5	42.8	41.1	52.3	33.7
Nova Scotia	-6.2	4.4	20.5	27.0	33.0	14.3	32.5	33.1	32.7	20.0
New Brunswick	-16.6	0.5	14.1	22.4	28.1	7.1	27.5	28.1	27.8	9.7
Quebec	29.8	31.1	32.3	25.3	31.8	31.2	31.9	31.8	32.1	31.0
Ontario	31.2	33.2	42.9	32.9	47.6	37.8	39.5	38.8	43.6	38.6
Manitoba	5.5	9.9	43.3	34.1	46.4	39.3	41.2	40.0	43.6	33.2
Saskatchewan	21.0	24.0	39.0	28.6	44.1	34.6	37.0	35.5	42.7	31.7
Alberta	23.1	28.2	24.1	20.4	26.2	26.0	25.6	26.3	26.7	25.8
British Columbia	28.7	31.6	38.9	28.8	43.9	34.6	35.7	34.9	38.6	34.9
Northwest Territories	NA	33.5	25.5	21.4	27.4	27.4	27.0	27.7	27.6	29.2
Yukon	NA	20.3	27.9	23.9	29.3	28.6	28.5	30.4	30.8	25.3

Sources: C. D. Howe Institute and International Tax Program, University of Toronto.

Please cite as "Business Tax Reform: More Progress Needed -- Supplementary Information," by Duanjie Chen and Jack M. Mintz. See http://www.cdhowe.org/pdf/ebrief_31.pdf.