GONDALIYA CPA
Professional Corporation

Canadian Tax System Cheat Sheet
2026 Tax Year

Every Rate, Bracket, Deadline and Threshold on One Page

CORPORATE TAX RATES (ONTARIO 2026)

Category	Federal	Provincial	Combined
Small Business (first $500K)	9.0%	3.2%	**12.2%**
Manufacturing & Processing	15.0%	10.0%	**25.0%**
General Rate (above $500K)	15.0%	11.5%	**26.5%**
Investment Income (passive)	38.67%	11.5%	**50.17%**

PERSONAL TAX BRACKETS (ONTARIO 2026 - COMBINED MARGINAL)

Taxable Income	Federal Rate	Ontario Rate	Combined Marginal
$0 to $57,375	15.00%	5.05%	**20.05%**
$57,376 to $100,392	20.50%	9.15%	**29.65%**
$100,393 to $114,750	26.00%	11.16%	**31.48% (approx)**
$114,751 to $150,000	26.00%	12.16%	**33.89% (approx)**
$150,001 to $220,000	29.00%	12.16%	**43.41%**
$220,001 to $253,414	33.00%	12.16%	**49.97%**
Above $253,414	33.00%	13.16%+	**53.53%**

HST / GST RATES BY PROVINCE

Province	GST	PST/HST	Total Sales Tax
Alberta	5%	0%	**5%**
British Columbia	5%	7% PST	**12%**
Saskatchewan	5%	6% PST	**11%**
Manitoba	5%	7% RST	**12%**
Quebec	5%	9.975% QST	**14.975%**
Ontario	**5%**	**8% (HST)**	**13% HST**
Nova Scotia	5%	10% (HST)	**15% HST**
New Brunswick	5%	10% (HST)	**15% HST**
Newfoundland & Labrador	5%	10% (HST)	**15% HST**
PEI	5%	10% (HST)	**15% HST**

CPP & EI CONTRIBUTIONS (2026)

Component	Employee Rate	Employer Rate	Maximum (each)
CPP ($3,500 to $71,300)	5.95%	5.95%	**$4,034**

CPP2 ($71,300 to $81,200)	4.00%	4.00%	**$396**
EI (up to $65,700)	1.64%	2.30% (1.4x)	**Emp: $1,077 / Er: $1,508**
Self-employed CPP	11.90% (both portions)	N/A	**$8,068**
40%+ shareholder: EI EXEMPT	**$0**	**$0**	**Saves $2,585/year on $100K**

SOLE PROPRIETOR vs. CORPORATION: TAX COMPARISON

Annual Income	Sole Prop Tax	Corporation Tax (12.2%)	Annual Savings
$80,000	$18,200	$9,760	**$8,440**
$120,000	$31,400	$14,640	**$16,760**
$150,000	$42,300	$18,300	**$24,000**
$200,000	$62,400	$24,400	**$38,000**
$300,000	$104,600	$36,600	**$68,000**
$500,000	$196,900	$61,000	**$135,900**

KEY CRA DEADLINES

Deadline	When	Late Penalty
T2 tax payment	2 months after YE (3 for eligible CCPCs)	Interest at prescribed + 4% daily
T2 filing	6 months after year-end	5% + 1%/month (max 12). Repeat: 10% + 2%/month
T1 payment	April 30	Interest from May 1
T1 filing (self-employed)	June 15 (payment still April 30)	5% + 1%/month
T4/T4A/T5 slips	Last day of February	$25/day per slip. Min $100, max $2,500
HST (monthly)	Last day of following month	1% + 0.25%/month
HST (quarterly)	Last day of month after quarter	1% + 0.25%/month
HST (annual, corps)	3 months after year-end	1% + 0.25%/month
SR&ED; (T661)	**18 months after YE - ABSOLUTE**	**ENTIRE CLAIM FORFEITED. No extensions.**

KEY THRESHOLDS & LIMITS

Threshold	Amount	What It Means
HST registration	**$30,000**	Mandatory once revenue exceeds $30K in 4 consecutive quarters
Small Business Deduction limit	**$500,000**	First $500K of active business income taxed at 12.2%
Passive income SBD erosion	**$50,000**	SBD erodes $5 for every $1 above $50K passive income
Passive income SBD eliminated	**$150,000**	SBD fully eliminated. All income at general rate.
Immediate Expensing (CCPC)	**$1,500,000**	100% write-off on eligible capital purchases per year
LCGE per shareholder	**$1,281,866**	Lifetime capital gains exemption on qualifying shares
RRSP maximum contribution	**$31,560**	18% of prior year earned income, max $31,560 for 2026
TFSA annual room	**$7,000**	Tax-free investment growth. Cumulative since 2009.
Bonus accrual deadline	**180 days**	Accrued bonuses must be paid within 180 days to be deductible
s.15(2) shareholder loan	**2 year-ends**	Must be repaid before the second year-end or taxed as income

TOP 10 CRA AUDIT TRIGGERS

#	Trigger	Risk Level
1	Worker misclassification (contractor vs. employee)	**Very High**
2	HST collected vs. T2 revenue mismatch	**Very High**
3	Cash-intensive business with low reported margins	**Very High**
4	Large vehicle expense claims without logbook	**Very High**
5	Shareholder loan not repaid within s.15(2) deadline	**High**
6	Real estate flipping reported as capital gains	**High**
7	Consistent losses for 3+ consecutive years	**Medium-High**
8	Large management fees between related companies	**High**
9	Home office deductions disproportionate to income	**Medium**
10	Missing T5018 slips (construction industry)	**High**

Need Help Navigating the Canadian Tax System?

www.gondaliyacpa.ca **info@gondaliyacpa.ca** **(647) 212-9559**

Gondaliya CPA
Your Growth Partner

Gondaliya CPA Professional Corporation | 168 Simcoe St Unit 1118, Toronto ON M5H 4C9

This cheat sheet is a general guide. Rates and thresholds are for the 2026 tax year. Consult a CPA for advice specific to your situation.