

**TABLE 15**  
**USE A SEPARATE SHEET FOR METRO & COUNTY**

TAXATION			
Corporate Income Tax (manufacturing)	Basic Federal	Provincial	Total
Rate (range)	22.12% <sup>1</sup>	9.90%	32.02%
Capital Tax		0.285% <sup>2</sup>	
Accelerated Depreciation Permitted (Yes or No)	yes	yes	
<b>Combined Federal &amp; Quebec Personal Income Tax (2008)</b>	<b>2008 Marginal Tax Rates</b>		
2008 Taxable Income	Other income	Capital gains	Dividends <sup>3</sup>
first \$37 500	28.53%	14.26%	1.14%
over \$37 500 up to \$37 885	32.53%	16.26%	6.94%
over \$37 885 up to \$75 000	38.37%	19.19%	15.42%
over \$75 000 up to \$75 769	42.37%	21.19%	21.22%
over \$75 769 up to \$123 184	45.71%	22.85%	26.06%
over \$123 184	48.22%	24.11%	29.69%
Basic Personal Amount	2008 amount	Tax Rate	
Quebec minimum basic personal amount	\$10 215	20.00%	
Federal minimum basic personal amount	\$9 600	15.00%	
Local Occupation Tax (Paid by Employee)	Rate	Basis	
City Residents	n.a.		
Non-City Residents	n.a.		
Local Wage Tax (Paid by Employer)	Rate	Basis	
City Residents	n.a.		
Non-City Residents	n.a.		
<b>Gross Receipts Tax Rate by Type of Business</b>			
A) n.a.			
B)			
C)			
D)			
E)			
<b>Sales/Use Tax Rate<sup>4</sup></b>			
Federal Tax (consumption tax: GST= 6%)	5%		
Provincial Tax (consumption tax PST=7.5%)	7.50%		
Total	12.50%		
Sales Tax Rate by Utility	<i>Idem</i>		
Electric Power			
Natural Gas			
Fuel Oil			
Water			
Sewer			
Hazardous Waste Disposal			
<b>Telephone</b>			
Local	13.50%		
Long Distance In State	13.50%		
Long Distance Out of State	13.50%		
<b>Machinery &amp; Equipment Subject to Sales/Use Tax</b>			
Production	n.a.		
Non-Production	n.a.		
Pollution Control	n.a.		
Office Furniture/Fixtures/Equipment	n.a.		
Sales/Use Tax (Yes or No) on	n.a.		
Office Building Construction Materials	n.a.		
Industrial Building Construction Materials	n.a.		
Manufacturers' Raw Materials	n.a.		
Standard Software	n.a.		
Custom Software	n.a.		
<b>Intangible Property</b>			
Describe What is Subject to Tax Rate (e.g. Accounts Receivable, Capital Stock)	n.a.		
Basis & Rate	n.a.		
Stock Bond Transaction Fee (Yes or No & its Yes Rate)	n.a.		
<b>Real Property Tax Rates for Jurisdictions Featuring</b>	A	B	C
Major Employment Centers	n.a.		
City Millage	n.		
County Millage	n.a.		
School Millage	n.a.		
Special District Millage	n.a.		
Assessment Ratio (%)	n.a.		
Effective Rate per \$100	n.a.		
<b>Property Tax Rates per \$100 (CDN \$)</b>	A	B	C
Salaberry-de-Valleyfield	2.96 \$		
Beauharnois	1.49 \$		
Maple Grove Sector	1.03 \$		
Melocheville	1.30 \$		
Ste-Martine	0.94 \$		
Water tax (Ste-Martine)	225\$/year		
Waste tax	110\$/year		

State Property Tax Effective Rate per \$100		
Real Property	n.a.	
Personal Property (machinery/equipment)	n.a.	
Property Tax After Core Income Tax		
Rate	n.a.	
Basis & Rate	n.a.	
Property Tax After Core Income Tax & State Excise Tax		
Taxable Items	n.a.	
Rate for Each Item	n.a.	
Subject to Personal Property Tax		
Production Machinery & Equipment	n.a.	
Non Production Machinery & Equipment	n.a.	
Pollution Control	n.a.	
Inventory	n.a.	
Raw Materials	n.a.	
Work in Progress	n.a.	
Finished Goods	n.a.	
Freeport Legislation	n.a.	
Applicable to Warehousing	n.a.	
Applicable to Manufacturing	n.a.	
Goods Stored in a Public Warehouse	n.a.	
Office Furniture-Fixtures	n.a.	
Computer Equipment	n.a.	
Workstations	n.a.	
Telephones	n.a.	
Furniture	n.a.	
Company Vehicles	n.a.	
Standard Software	n.a.	
Custom Software	n.a.	

**Note: Amounts are in CDN \$**

1. In Canada, the federal tax rate is 13.12% for Canadian-controlled private corporations with taxable income of less than CDNS250 000. Reduced rates also apply in certain provinces for small businesses. In the United States, the general rate of 35% depends on the company's income.

2.As of January 1, 2007, the corporate capital tax rate will be reduced by 5% of the current rate. Accordingly, the capital tax rate applicable to non-financial institutions will be reduced from 0.3% to 0.285% as of January 1, 2007. Further, the government intends to eliminate this tax entirely in 2010, rather than in 2012 as previously planned, should the fiscal position of the province allow.

3. Marginal tax rate for dividends is for actual dividends received (not grossed-up amount). Rates are as of May 30, 2008.

4. The GST is similar to the value-added tax in effect in the member countries of the European Union. A business collects from its customers the 5% GST on the selling price of taxable products and services. However, it is usually entitled to a refund or a credit for GST paid on the purchase of products and services that are necessary to carry out its commercial operations. This "Input Tax Credit" may be claimed by each entity that is part of the production and distribution chain, except the final consumer when the latter does not engage in a commercial operation. The gross amount of the tax collected by a company on its sales during a given period, less the Input Tax Credit, is remitted to the government. When the credit exceeds the tax collected on sales, the company is eligible for a refund.

The 7.5% QST applies to the selling price plus the GST. Companies may usually obtain a refund of the TVQ paid on their purchases. Quebec was the first province to harmonize its sales tax with the federal GST and thus simplify administration of consumption taxes. This means Quebec companies deal with only one level of government.