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Newfoundland and Labrador – Provincial corporation tax



Important notice

Effective January 1, 2024, the lower rate of income tax is decreased from 3% to 2.5%.

What's new for corporations

Lower rate

The lower rate of Newfoundland and Labrador income tax is **2.5%**, effective January 1, 2024. It was previously 3%.

If the rate changes during the tax year, you have to base your calculation on the number of days in the year that each rate is in effect.

This lower rate applies to taxable income earned in Newfoundland and Labrador that qualifies for the federal small business deduction.

Higher rate

The higher rate of income tax is **15%**.

This higher rate applies to taxable income earned in Newfoundland and Labrador that does not qualify for the federal small business deduction.

Note

These rates also apply to taxable income earned in the Newfoundland and Labrador offshore area.

For more information, see [Dual tax rates](#).

Reporting the tax

You can use [Schedule 307, Newfoundland and Labrador Corporation Tax Calculation](#), to help you calculate the Newfoundland and Labrador tax before the credits are applied. You do not have to file it with your return. See the schedule for more details.

On **line 200 and/or 205** of [Schedule 5, Tax Calculation Supplementary – Corporations](#), enter the amount of tax calculated.

See also the details on the [Newfoundland and Labrador capital tax on financial institutions](#).

Claiming the credits

Newfoundland and Labrador offers different tax credits. Details of each credit can be found in the following pages and their associated schedules:

- [Direct equity tax credit](#)
- [Film and video industry tax credit](#)
- [Foreign tax credit](#)
- [Green technology tax credit](#)
- [Interactive digital media tax credit](#)
- [Manufacturing and processing investment tax credit](#)
- [Political contribution tax credit](#)
- [Research and development tax credit](#)
- [Resort property investment tax credit](#)
- [Venture capital tax credit](#)

Forms and publications

- [Schedule 307, Newfoundland and Labrador Corporation Tax Calculation](#)
- [Schedule 5, Tax Calculation Supplementary – Corporations](#)

Government partners

- [Newfoundland and Labrador](#) (provincial site)

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