

Corporate Income Tax in Saskatchewan

Saskatchewan's Corporate Income Tax (CIT) is levied as a percentage of the share of a corporation's taxable income that is allocated to the Province. The Federal Government administers Saskatchewan CIT through a tax collection agreement, using the same determination of a corporation's taxable income for both federal and provincial tax purposes.

Saskatchewan's general tax rate on corporate taxable income is 12%. Special rates apply for manufacturers and processors and for small businesses:

- The **Saskatchewan Manufacturing and Processing (M&P) Profits Tax Reduction** reduces the provincial general CIT rate to as low as 10% on Canadian manufacturing and processing profits, depending on the proportion of income allocated to Saskatchewan. Income is allocated according to a predetermined formula that considers salaries and wages paid and income earned in each jurisdiction where the company or group of companies has operations.
- The temporary **Saskatchewan Small Business Rate** of 1% applies (effective July 1, 2022) to Canadian-controlled private corporations on the first \$600,000 of active business income. This rate will move to its original 2%, commencing July 1, 2023¹.

		2022
Corporate Income Tax Rate	(%)	12
Manufacturing and Processing (M&P) Rate	(%)	10
Small Business Rate (July 1, 2022)	(%)	1
- Small Business Threshold	\$	600,000

Corporation Capital Tax

Corporation Capital Tax (CCT) is levied on the paid-up capital of certain Saskatchewan corporations. Paid-up capital generally includes capital stock, retained earnings and long-term debt.²

CCT applies to provincial Crown corporations and financial institutions. Resource corporations (including associated corporations) with assets in excess of \$100 million must pay a CCT Resource Surcharge equal to 3% of the value of Saskatchewan resource sales.

		2021
Provincial Crown Corporations (commercial entities only)	(%)	0.6
Financial Institutions		
< \$1.5 billion aggregate paid-up capital (Small financial institutions)	(%)	0.7
> \$1.5 billion aggregate paid-up capital (Large financial institutions)	(%)	4.0
CCT Resource Surcharge		
General Rate	(%)	3.0
4 th Tier Oil and Gas Rate	(%)	1.7

Provincial Sales Tax

The Provincial Sales Tax (PST) is a 6% sales tax that applies to taxable goods and services consumed or used in Saskatchewan. It applies to goods and services purchased in the province as well as goods and

¹ Saskatchewan Finance, Corporation Income Tax [Corporation Income Tax | Provincial Taxes, Policies and Bulletins | Government of Saskatchewan](#)

² For a more detailed explanation, please see Saskatchewan Finance (2002) Information Bulletin CT-1, *Calculation of Paid-Up Capital*

[[https://www.sets.saskatchewan.ca/rpt/wcm/connect/c81f0acd-e815-43b2-9799-2d1327e7e695/CT-](https://www.sets.saskatchewan.ca/rpt/wcm/connect/c81f0acd-e815-43b2-9799-2d1327e7e695/CT-1+Calculation+of+Paid+Up+Capital.pdf?MOD=AJPERES&CACHEID=ROOTWORKSPACE-c81f0acd-e815-43b2-9799-2d1327e7e695-nplqHTH)

[1+Calculation+of+Paid+Up+Capital.pdf?MOD=AJPERES&CACHEID=ROOTWORKSPACE-c81f0acd-e815-43b2-9799-2d1327e7e695-nplqHTH](https://www.sets.saskatchewan.ca/rpt/wcm/connect/c81f0acd-e815-43b2-9799-2d1327e7e695/CT-1+Calculation+of+Paid+Up+Capital.pdf?MOD=AJPERES&CACHEID=ROOTWORKSPACE-c81f0acd-e815-43b2-9799-2d1327e7e695-nplqHTH)]

services that are imported for consumption or use in Saskatchewan. Input Tax Credits cannot be used by businesses to recover PST expenditures, unlike the federal goods and services tax/harmonized sales tax (GST/HST).

Purchase or rental of new and used tangible personal property is subject to PST, as are services ranging from repair and installation labour to legal services.³ As a general rule, direct agents such as raw materials, dies, jigs, moulds, polishing compounds, abrasives, cutting lubricants, etc. consumed or transformed in the production of goods are exempt from PST. Gas and electricity consumed in the production of goods are also exempt from PST, but in the case of electricity, the exemption is limited to power directly consumed by machinery and equipment used in the manufacturing process⁴.

Federal and Provincial Tax Comparison⁵ (Rates in effect July 1, 2022)

		CDA	SK	BC	AB	MB	ON	QC	NB	NS	PE	NL
Corporate Income Tax Rate	(%)	15	12	12	8	12	11.5	11.5	14	14	16	15
M&P Rate	(%)	15	10	12	8	12	10	11.5	14	14	16	15
Small Business Rate	(%)	9.0	1.0	2.0	2.0	0.0	3.2	3.2	2.5	2.5	1.0	3.0
Small Business Threshold	(\$K)	\$500,000	\$600,000	\$500,000								
Financial Institution CCT	(%)	1.25 ⁶	0.7 to 4.0⁷	-	-	6.0 ⁸	1.25 ⁹	1.25	4.0 to 5.0 ¹⁰	4.0	5.0 ¹¹	6.0 ¹²
Sales Tax Rate	(%)	5	6	7	0	7	8 ¹³	9.98 ¹⁴	10 ¹⁵	10 ¹⁶	10 ¹⁷	10 ¹⁸
Payroll Tax Rate	(%)	-. ¹⁹	-	1.95 to 2.93 ²⁰	-	2.15 to 4.3 ²¹	0.98 to 1.95 ²²	1.25 to 4.26 ²³	-	-	-	2 ²⁴
Top Marginal Personal Income Tax Rate ²⁵	(%)	33	47.5	53.5	48	50.4	53.53 ²⁶	53.31	53.3	54	51.3 ⁷	54.8

³For a detailed listing of taxable services, please see the Saskatchewan Finance website [<https://sets.saskatchewan.ca/rtp/wcm/connect/e7e30336-4215-402f-9fd6-1c22c9b56982/PST-46+Service+Enterprises+%28Updated+March+2017%29.pdf?MOD=AJPERES&CACHEID=ROOTWORKSPACE-e7e30336-4215-402f-9fd6-1c22c9b56982-mFV02M8>].

⁴For more information, please see Saskatchewan Finance (2002) Information Bulletin PST-21, *Information for Manufacturers*

⁵KPMG Tax Facts (2021-2022) [Tax Facts 2021-22 - KPMG Canada \(home.kpmg\)](#)

⁶On taxable capital over \$1B.

⁷0.7% rate applies to small financial institutions with paid-up capital under \$1.5B; 4.0% rate is for large financial institutions with taxable capital over \$1.5B.

⁸Exemption applies if taxable paid-up capital is less than \$4B.

⁹Life insurance corporations, with adjustments.

¹⁰Exemption of \$10M.

¹¹On capital in excess of \$2M.

¹²The first \$5M is exempt for companies with less than \$10M in paid-up capital.

¹³Harmonized with federal GST.

¹⁴The QST of 9.975% is harmonized with federal GST, but the Ministère du Revenu du Québec administers the GST/HST in Québec, including Input Tax Credits/Refunds.

¹⁵Harmonized with federal GST.

¹⁶Harmonized with federal GST.

¹⁷Harmonized with federal GST.

¹⁸Harmonized with federal GST.

¹⁹There are mandatory employer contributions for Employment Insurance and Canada Pension Plan based on employees' taxable income.

²⁰Payroll between \$500,000 and \$1.5M are subject to a 2.925% levy; payroll over \$1.5M are taxed at 1.95%.

²¹Payroll below \$1.25M is exempt from payroll tax. Between \$1.25M and \$2.5M the rate is calculated as 4.3% of the amount over \$1.25M. Payrolls over \$2.5M are taxed at the rate of 2.15% of the entire payroll. Employers with payroll under \$5M can claim a \$490,000 exemption.

²²The Employer Health Tax rises from 0.98% of payroll less than \$200,000 to 1.95% of payroll over \$400,000.

²³For primary and manufacturing sectors, the rate for payrolls up to \$1M is 1.5%; for all other sectors it is 2.3%. Between \$1M and \$5M the rate gradually increases to its maximum of 4.26%. Québec also applies a 1% training tax on payroll amounts over \$1M and a Québec Parental Insurance Plan premium of 0.548% of payroll up to \$74,000 in earnings per employee.

²⁴2% on payroll over \$1,200,000.

²⁵Federal/provincial combined rate.

²⁶Ontario applies a surtax on Ontario tax liabilities above a threshold amount: \$4,740 to \$6,067 – 20%; over \$6,067 – 36%.