



# Business Start Up

*Business Tax  
in Canada*

**NLOWE**

NEWFOUNDLAND & LABRADOR ORGANIZATION OF  
WOMEN ENTREPRENEURS

# Business Tax in Canada



Corporate income tax rates in Newfoundland and Labrador are among the lowest in Canada. Most provincial taxes are administered by the Newfoundland and Labrador Department of Finance. Corporate income tax and the Harmonized Sales Tax are administered by Canada Revenue Agency

## **For more information:**

<https://www.gov.nl.ca/fin/tax-programs-incentives/business/>

## **Provincial Business Taxation**

includes corporate income tax, financial corporations capital tax, industry-specific taxes and environmental taxes such as carbon, gasoline, mining/mineral rights and vapour products.

## **Tax Credits and Incentives**

<https://www.gov.nl.ca/fin/tax-programs-incentives/business/cib/>

The Government of Newfoundland and Labrador offers a variety of business tax credits, incentives and benefits programs to businesses. These programs are designed to support growth in specific sectors such as digital media, manufacturing, scientific research, economic diversification and small business.

## Federal Business Taxation

### Income Tax

Sole proprietorships and partnerships are required to file a T2125 Statement of Business and Professional Activities (<https://www.canada.ca/en/revenue-agency/services/forms-publications/forms/t2125.html>) as part of their personal income tax returns. A separate statement must be filed for each source of business or professional income. See <https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/sole-proprietorships-partnerships.html>

Incorporated companies must file an annual T2 Corporation Income Tax Return (<https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/corporations/type-corporation.html>)

### GST/HST

Businesses in Canada must collect and remit the Goods and Services Tax (GST-federal) or Harmonized Sales Tax (HST – federal and provincial) on all taxable sales, leases and supplies unless exemptions apply.



## **Exemptions:**

If you are a small supplier, you do not need to collect or remit GST or HST. A small supplier is an individual or company with business revenue of \$30,000 or less per quarter over four consecutive quarters.

Registration for GST/HST may also enable your company to qualify for tax credits.

As a small supplier you may choose to voluntarily register for GST/HST:

<https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/gst-hst-businesses/account-register-voluntarily.html>

If you are providing GST or HST-exempt services such as health care, music lessons, educational services, you do not charge or remit GST or HST on these services. See the full list of exemptions: [https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/rc4022/general-information-gst-hst-registrants.html#H1\\_106](https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/rc4022/general-information-gst-hst-registrants.html#H1_106)

## **To collect and remit GST/HST:**

### **Register for GST/HST using your Business Number**

If you do not have a Business Number, you will receive one as part of the registration.

<https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/registering-your-business/register.html>

The Canada Revenue Agency can also provide information on payroll, pension plans, excise taxes and charitable giving. Visit CRA taxation: <https://www.canada.ca/en/services/taxes.html>