Tax Brackets & Your Rate

Canada taxes income in layers. A higher bracket only touches the dollars above the line.

Taxable income — Line 26000 → 1 → **Federal brackets** — 14% up to 33% → 2 → **Add provincial** — Varies by province → 3 → **Subtract credits** — Your real tax bill

1 2026 federal brackets

Same in every province

Five rates. Each one applies only to the income inside its band.

LOWEST FEDERAL RATE

14%

on the first $58,523 in 2026

TAXABLE INCOME / RATE

Up to $58,523	14%
$58,523 to $117,045	20.5%
$117,045 to $181,440	26%
$181,440 to $258,482	29%
Over $258,482	33%

Brackets apply to taxable income (Line 26000), not gross pay.

2 Marginal vs. average

Next dollar vs. whole bill

Marginal hits your next dollar. Average is what you really pay.

$120,000 IN ALBERTA*

36% / 23%

marginal rate / average rate

AT A GLANCE

Raise or overtime	NET PAY UP
RRSP deduction	LINE 20800
Value a deduction at	MARGINAL
Judge your tax bill by	AVERAGE

A higher bracket never shrinks your take-home pay.

3 Provinces

Federal + provincial

Your combined rate depends on where you live on December 31.

TOP COMBINED RATES

47.5–54%

Saskatchewan low, Nova Scotia high

AT A GLANCE

Saskatchewan	47.5%
Alberta	48%
Ontario	53.53%
Nova Scotia	54%

Moving mid-year? Your Dec 31 province sets the rate for all year.

JON'S 4 GOLDEN RULES

1 Never turn down a raise
Only dollars above the line pay more. Net pay rises.

2 Value RRSPs at your top rate
Deductions come off your highest-taxed dollars.

3 Know your average rate
The real share you pay, lower than you think.

4 Check rates before you move
Your Dec 31 province sets the year's rate.

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*Illustrative: Alberta resident, 2026 federal and Alberta brackets, basic personal amounts only. General information based on 2026 federal rules as of November 2026. It is not personalized tax advice. Rates, limits and line numbers change, so confirm with the CRA or a tax professional before you file.