

2025 British Columbia budget: Tax highlights

March 4, 2025

In brief

On March 4, 2025, British Columbia's Minister of Finance, Brenda Bailey, presented the province's budget. The budget does not change corporate or personal income tax rates, but does:

- enhance the province's film, digital media and animation incentives
- increase speculation and vacancy tax rates, effective January 1, 2026
- extend the new mine allowance and various business and personal tax credits

This *Tax Insights* discusses these and other tax initiatives outlined in the budget.

Due to the uncertainty around the timing and extent of US tariff policy changes¹ that could significantly affect British Columbia's economy, the budget does present a "New Scenario" and include contingency funding to account for current and potential US tariffs and any Canadian retaliatory measures.

In detail

Business taxes

Corporate income tax rates

British Columbia's corporate income tax rates have not changed and will remain as shown in the table below. The table also shows combined federal/British Columbia corporate tax rates.

Federal and BC corporate rates		BC		Federal + BC	
		2024	2025	2024	2025
General and M&P income		12%		27%	
Canadian-controlled private corporations (CCPCs)	Active business income to \$500,000	2%		11%	
	Investment income	12%		50.67%	

¹ To help your business navigate this current tariff situation, see our:

- *Tax Insights* "[US tariffs and Canadian countermeasures: How will it affect Canadian businesses?](https://www.pwc.com/ca/taxinsights)" (March 4, 2025 update) at www.pwc.com/ca/taxinsights for strategies that can help Canadian businesses adapt to these and any potential new tariffs
- [Tariffs, Trade and Policy Resource Centre](#) for information to help your business assess and manage these tariffs

Film, digital media and animation incentives

Film incentive BC tax credit (FIBCTC) and BC production services tax credit (BCPSTC)

Effective for productions with principal photography beginning after December 31, 2024:

- the basic FIBCTC rate will increase from 35% to 40% and the basic BCPSTC rate will increase from 28% to 36%
- BCPSTC claimants with BC production costs greater than \$200 million are eligible for a new major production tax credit equal to 2% of the corporation's accredited qualified BC labour expenditures for a major production; the credit is available upon completion of the major production
- animation productions with a "physical office" located in a prescribed regional or distant location will be able to claim the regional and distance location tax credits under the FIBCTC and BCPSTC, provided that the labour expenditures claimed are for workers who are physically present and working in those offices at least 50% of the time

BC interactive digital media tax credit (BCIDMTC)

The BCIDMTC will no longer have a sunset date and be made permanent. In addition, for eligible salaries and wages paid in British Columbia after August 31, 2025, the BCIDMTC rate will increase from 17.5% to 25%.

Clean buildings tax credit

The budget extends British Columbia's clean buildings tax credit by one year, to March 31, 2026.

Personal taxes

Personal income tax rates

The budget does not change British Columbia personal income tax rates. The top two combined federal/British Columbia personal income tax rates are shown in the table below.

Combined federal/ BC rates		Taxable income	Ordinary income	Capital gains	Canadian dividends	
					Eligible	Non-eligible
2026	Top bracket	> \$259,829 ¹	53.50%	26.75%	36.54%	48.89%
2025		> \$259,829				
2024		> \$252,752				
2026	2 nd from top bracket	\$253,414 ¹ to \$259,829 ¹	49.80%	24.90%	31.44%	44.63%
2025		\$253,414 to \$259,829				
2024		\$246,752 to \$252,752				

1. Amounts to be indexed for 2026.

Small business venture capital tax credit

The budget increases the annual limit that an individual can claim for this tax credit to \$300,000 (from \$120,000), for investments made after March 3, 2025.

Other personal tax credits

The budget extends British Columbia's:

- clean buildings tax credit by one year, to March 31, 2026

- training tax credit for individuals by three years, to December 31, 2028 (this tax credit is also amended, effective April 1, 2025, to allow First Nations individuals and individuals with a disability to continue to receive the enhanced training tax credit after the federal Apprenticeship Incentive Grant expires)

Other taxes

Provincial sales tax (PST)

Effective May 1, 2025, the budget ends the PST exemption for sales of used zero-emission vehicles. The exemption was originally available until 2027.

Mineral tax

The budget extends (by regulation) the new mine allowance by 5 years, to the end of 2030.

Speculation and vacancy tax (SVT)

Effective January 1, 2026, the budget increases SVT rates:

- to 3% (from 2%) for foreign owners and untaxed worldwide earners
- to 1% (from 0.5%) for Canadian citizens and permanent residents who are not untaxed worldwide earners

The increased rates will apply with respect to the use of residential properties during the 2026 calendar year and beyond.

In addition, the Predator Ridge resort in the City of Vernon is excluded from the specified area for purposes of the SVT, retroactive to January 1, 2024.

Property tax and property transfer tax

Effective the 2026 taxation year, the budget exempts from annual:

- rural property tax, lands and improvements in rural areas within a treaty designated foreshore area that are owned or held by the Modern Treaty First Nation or its public institutions
- rural property and provincial school property taxes, First Nations' interest in eligible properties assessed as having no present use, or that are used for cultural or community purposes

In addition, effective May 21, 2024, land beneficially owned by a First Nation before that date is exempt from property transfer tax when legal ownership is transferred to the First Nation.

Parking rights tax

Effective on royal assent of the enacting legislation, the budget increases the maximum tax rate on parking rights that can be charged by the South Coast British Columbia Transportation Authority (TransLink) in the TransLink transportation service region to 29% (from 24%).

Let's talk

For a deeper discussion of how these tax measures affect you or your business, please contact:

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