



# PARAMETERS OF THE PERSONAL INCOME TAX SYSTEM

**FOR 2025**

Parameters of the Personal Income Tax System for 2025

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# 1. INDEXING OF THE PERSONAL INCOME TAX SYSTEM

Under the tax legislation, the main parameters of the personal income tax system are automatically indexed each year. Indexing applies to the taxable income bracket thresholds of the tax table and to the basic personal amount. It also applies to most parameters used to determine tax credits.

Indexing the personal income tax system helps keep the tax system up to date to reflect the annual rise in the price of goods and services. In concrete terms, indexing the tax system increases the amount of several deductions and tax credits by a rate determined on the basis of the rise in consumer prices in Québec.

## □ Indexing rate for taxation year 2025

The indexing rate for 2025 corresponds to the percentage change in the consumer price index for Québec (Québec CPI), excluding alcoholic beverages, tobacco products and recreational cannabis, between the 12-month period ending September 30, 2024, and the 12-month period ending September 30, 2023.

According to the formula, the personal income tax system will be indexed at a rate of 2.85% for taxation year 2025.

<b>Indexing formula</b>
<p>The indexing formula set out in the <i>Taxation Act</i> is applied by multiplying the parameter to be indexed by the difference between A and B. The result obtained is rounded according to the applicable rule.</p> <ul style="list-style-type: none"><li>– “A” is the overall average Québec CPI without alcoholic beverages, tobacco products and recreational cannabis for the 12-month period that ended on September 30 of the taxation year preceding that for which an amount is to be indexed.</li><li>– “B” is the overall average Québec CPI without alcoholic beverages, tobacco products and recreational cannabis for the 12-month period that ended on September 30 of the taxation year immediately before the year preceding that for which an amount is to be indexed.</li></ul>



## 2. IMPACT OF INDEXING FOR THE GOVERNMENT

In 2025, the Québec government will index the personal income tax system at a cost of \$1.105 billion. Over the period 2017 to 2025, the cumulative impact will equal nearly \$7.9 billion.

TABLE 1

### **Impact of indexing the personal income tax system**

	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Indexing rate (%)	0.74	0.82	1.71	1.72	1.26	2.64	6.44	5.08	2.85
Impact (\$M)	199	229	488	527	424	898	2 152	1 833	1 105
Cumulative impact (\$M)	199	428	916	1 443	1 867	2 765	4 917	6 750	7 855



### **3. INCREASE IN THE WORK PREMIUM AND FAMILY ALLOWANCE**

The indexing of the basic benefits of last resort financial assistance programs requires that a different method be applied to increase the reduction thresholds of the work premium and family allowance in order to maintain the harmonization of the tax system and income security programs.

#### **□ Work premium**

The general work premium is integrated with the last resort financial assistance program. It reaches its maximum at the income threshold at which a household fit for work is no longer eligible for last resort financial assistance. Above that income level, the general work premium is reduced.

Moreover, the first dollars of earned income, up to \$2 400 for a household consisting of one adult and \$3 600 for a household consisting of two adults, are excluded from the calculation of the general work premium.

Like the general work premium, the adapted work premium for individuals with a severely limited capacity for employment is integrated with the last resort financial assistance program. However, the parameters for calculating the adapted work premium are different from those used to determine the general work premium.

#### **□ Family allowance**

To integrate the family allowance with the work premium, the income threshold at which the work premium becomes zero corresponds to the threshold at which the family allowance begins to reduce based on income.

The maximum and minimum amount of the family allowance granted for each child are indexed according to the indexation rate provided for under the tax system.



## 4. COMPARISON OF INDEXING RATES OF THE QUÉBEC, FEDERAL AND PROVINCIAL TAX SYSTEMS

In 2025, the indexing rate of the Québec tax system (2.85%) will be higher than the indexing rates applied by the federal government and the governments of the other provinces that index their tax system, with the exception of Alberta and Nova Scotia.

TABLE 2

### Indexing rates of the federal and provincial personal income tax systems (per cent)

	2017	2018	2019	2020	2021	2022	2023	2024	2025 <sup>(1)</sup>
Federal <sup>(2)</sup>	1.4	1.5	2.2	1.9	1.0	2.4	6.3	4.7	2.7
<b>Provinces</b>									
– Newfoundland and Labrador <sup>(3)</sup>	2.0	3.0	1.8	0.9	0.4	2.8	5.9	4.2	2.3
– Prince Edward Island	—	—	—	—	—	—	—	—	—
– Nova Scotia <sup>(4)</sup>	—	—	—	—	—	—	—	—	3.1
– New Brunswick <sup>(2)</sup>	1.4	1.5	2.2	1.9	1.0	2.4	6.3	4.7	2.7
– Québec <sup>(5)</sup>	<b>0.74</b>	<b>0.82</b>	<b>1.71</b>	<b>1.72</b>	<b>1.26</b>	<b>2.64</b>	<b>6.44</b>	<b>5.08</b>	<b>2.85</b>
– Ontario <sup>(3)</sup>	1.6	1.8	2.2	1.9	0.9	2.4	6.5	4.5	2.8
– Manitoba <sup>(3)</sup>	1.5	1.2	2.6	2.2	1.0	2.1	7.0	5.2	1.2
– Saskatchewan <sup>(2),(6)</sup>	1.4	—	—	—	1.0	2.4	6.3	4.7	2.7
– Alberta <sup>(3),(7)</sup>	1.3	1.2	2.4	—	—	2.3	6.0	4.2	2.9
– British Columbia <sup>(3)</sup>	1.8	2.0	2.6	2.5	1.1	2.1	6.0	5.0	2.8

Note: An em dash (—) means the tax system was not indexed.

(1) The federal and provincial, other than Québec, indexing rates are projected by the Ministère des Finances du Québec according to the method usually used in the province or at the federal level.

(2) The indexing rate is calculated on the basis of Canada's consumer price index. It is rounded to the nearest decimal.

(3) The indexing rate is calculated on the basis of the consumer price index for the province. It is rounded to the nearest decimal.

(4) In the 2024-25 budget, Nova Scotia announced the indexation of certain personal income tax parameters, starting in 2025. The indexation rate is determined based on the province's consumer price index and is rounded to the nearest decimal. Unlike the federal government and other provinces that index their tax systems over the October to September period, Nova Scotia calculates the indexation rate over the September to August period.

(5) Since the 2005 taxation year, Québec's indexing rate is based on the consumer price index for Québec, excluding alcohol, tobacco and, since 2020, recreational cannabis.

(6) Saskatchewan suspended the indexation of personal income tax for the 2018 to 2020 taxation years. The parameters have been indexed again since 2021.

(7) Alberta has suspended the indexation of personal income tax for the years 2020 and 2021. The parameters have been indexed again since 2022.



## 5. TABLES OF PARAMETERS

TABLE 3

### Parameters of the personal income tax system subject to indexing (dollars)

	2024	2025
<b>Tax table</b>		
– Maximum threshold of first taxable income bracket	51 780	53 255
– Maximum threshold of second taxable income bracket	103 545	106 495
– Maximum threshold of third taxable income bracket	126 000	129 590
– Basic personal amount	18 056	18 571
<b>Amount of recognized essential needs</b>		
– Amount for person living alone		
▪ basic amount	2 069	2 128
▪ supplement for single-parent family	2 554	2 627
– Amount with respect to age	3 798	3 906
– Amount for retirement income	3 374	3 470
– Amount of transfer of the recognized parental contribution		
▪ maximum amount of recognized needs	13 280	13 658
▪ reduction where only one term of studies is completed	3 717	3 823
– Amount for a minor child enrolled in vocational training or post-secondary studies (per term; maximum of two terms)	3 717	3 823
– Amount respecting other dependents	5 416	5 570
– Amount for a severe and prolonged impairment in mental or physical functions	4 009	4 123
<b>Certain deductions and exemptions</b>		
– Maximum amount of the deduction for workers	1 380	1 420
– Amount of the personal contribution for the purposes of the deduction for the purchase of tradespersons' tools	1 390	1 430
– Maximum amount of the exemption relating to amounts paid to emergency services volunteers	1 380	1 420
– Maximum monthly amount for the exemption of certain allowances for room and board paid to young athletes	430	440
– Volunteer firefighters' amount	5 254	5 404
– Search and rescue volunteers' amount	5 254	5 404
– Amount of the general exemption from the alternative minimum tax	175 000 <sup>(1)</sup>	179 990
<b>Maximum income to qualify for certain tax credits</b>		
– Maximum family income to qualify for the tax credit for youth activities	163 800	168 470
– Maximum family income to qualify for the grant for seniors to offset a municipal tax increase	61 200	62 900

TABLE 3

**Parameters of the personal income tax system subject to indexing (cont.)**  
(dollars)

	2024	2025
<b>Reduction thresholds</b>		
– Reduction threshold of the tax credit for a person living alone, for age and for retirement income	40 925	42 090
– Reduction threshold of the tax credit for career extension	40 925	42 090
– Reduction thresholds of the refundable tax credit for home-support services for seniors		
– First reduction threshold	69 040	71 010
– Second reduction threshold	111 845	115 035
<b>Refundable tax credit for childcare expenses<sup>(2)</sup></b>		
– Limit on fees in respect of children under 7 years of age	11 935	12 275
– Limit on fees in respect of children with disabilities	16 335	16 800
– Limit on fees in respect of another child (under 16 years of age or who has an infirmity)	6 010	6 180
– Eligible child – Maximum income	13 280	13 658
<b>Certain refundable tax credits</b>		
– Tax credit for medical expenses		
▪ maximum amount	1 425	1 466
▪ minimum amount of work income	3 645	3 750
▪ reduction threshold	27 550	28 335
– Tax credit for caregivers		
▪ universal basic amount (co-residency)	1 453	1 494
▪ reducible amount based on the care receiver's income	1 453	1 494
▪ reduction threshold	25 785	26 520
– Québec education savings incentive		
▪ first income threshold for purposes of calculating the increase amount	51 780	53 255
▪ second income threshold for purposes of calculating the increase amount	103 545	106 495
– Senior assistance amount		
▪ reduction threshold for a single senior	27 065	27 835
▪ reduction threshold for a couple	44 015	45 270
▪ reduction rate (%) <sup>(3)</sup>	5.31	5.40
<b>1% contribution by individuals to the Health Services Fund</b>		
– Maximum threshold of first income bracket	17 630	18 130
– Maximum threshold of second income bracket	61 315	63 060

TABLE 3

**Parameters of the personal income tax system subject to indexing (cont.)**  
(dollars)

	2024	2025
<b>Refundable tax credit granting an allowance to families</b>		
– Family allowance		
▪ Maximum amounts		
○ each child	2 923	3 006
○ single-parent family	1 026	1 055
▪ Reduction threshold <sup>(4)</sup>		
○ single-parent family	42 136	43 280
○ couple	57 822	59 369
▪ Minimum amounts		
○ each child	1 163	1 196
○ single-parent family	409	421
– Supplement for the purchase of school supplies	121	124
– Monthly amount of the supplement for handicapped children	229	236
– Monthly amount of the supplement for handicapped children requiring exceptional care – Level 1	1 158	1 191
– Monthly amount of the supplement for handicapped children requiring exceptional care – Level 2	770	792
<b>General work premium<sup>(4)</sup></b>		
– Maximum amounts		
▪ person living alone	1 152.34	1 185.52
▪ couple without children	1 797.07	1 848.34
▪ single-parent family	2 980.20	3 066.00
▪ couple with children	3 873.00	3 983.50
– Reduction threshold		
▪ one adult	12 334	12 620
▪ couple	19 092	19 534
<b>Adapted work premium for persons with a severely limited capacity for employment<sup>(4)</sup></b>		
– Maximum amounts		
▪ person living alone	2 200.21	2 257.33
▪ couple without children	3 414.96	3 501.46
▪ single-parent family	4 044.50	4 149.50
▪ couple with children	5 022.00	5 149.20
– Reduction threshold		
▪ one adult	17 378	17 798
▪ couple	26 310	26 946

(1) This is the new increased amount applicable for 2024 announced in *Information Bulletin 2023-4*.

(2) Indexing of family income thresholds for the refundable tax credit for childcare expenses is presented on page 13.

(3) This rate is revalued each year.

(4) The increase in the parameter values is based on a revaluation formula that considers, among other things, the indexing of last resort financial assistance benefits.

TABLE 4

**Parameters of the refundable solidarity tax credit**  
(dollars)

	July 2024 to June 2025	July 2025 to June 2026
Amounts for the QST		
– basic amount	346	356
– amount for spouse	346	356
– additional amount for a person living alone	164	169
Amounts for housing		
– amount for a couple	863	888
– amount for a person living alone or a single-parent family	711	731
– amount for each dependent child	151	155
Amounts for individuals living in a northern village		
– amount per adult	2 033	2 091
– amount for each dependent child	439	452
Solidarity tax credit reduction threshold	41 150	42 325
Maximum family income threshold at which only 50% of the solidarity tax credit amount can be allocated to the payment of a debt to the State	24 955	25 665

**Indexing period for the parameters of the solidarity tax credit**

The parameters of the solidarity tax credit are indexed each year on July 1 instead of on January 1. They remain unchanged from July of a given year to June of the following year.

TABLE 5

**Parameters of the refundable tax credit for childcare expenses**

Taxation year 2024			Taxation year 2025		
Family income (\$)		Tax credit rate (%)	Family income (\$)		Tax credit rate (%)
Greater than	Without exceeding		Greater than	Without exceeding	
—	24 110	78	—	24 795	78
24 110	42 515	75	24 795	43 725	75
42 515	44 085	74	43 725	45 340	74
44 085	45 670	73	45 340	46 970	73
45 670	47 225	72	46 970	48 570	72
47 225	48 805	71	48 570	50 195	71
48 805	116 515	70	50 195	119 835	70
116 515	or more	67	119 835	or more	67

