

PARAMETERS OF THE PERSONAL INCOME TAX SYSTEM **FOR 2026**

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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 2026

The indexing rate for 2026 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, 2025, and the 12-month period ending September 30, 2024.

According to the formula, the personal income tax system will be indexed at a rate of 2.05% for taxation year 2026.

Indexing formula
<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">– “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.– “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.

2. IMPACT OF INDEXING FOR THE GOVERNMENT

In 2026, the Québec government will index the personal income tax system at a cost of \$863 million. Over the period 2018 to 2026, the cumulative impact will equal more than \$8.5 billion.

TABLE 1

Impact of indexing the personal income tax system

	2018	2019	2020	2021	2022	2023	2024	2025	2026
Indexing rate (%)	0.82	1.71	1.72	1.26	2.64	6.44	5.08	2.85	2.05
Impact (\$M)	229	488	527	424	898	2 152	1 833	1 105	863
Cumulative impact (\$M)	229	717	1 244	1 668	2 566	4 718	6 551	7 656	8 519

3. INCREASE IN THE WORK PREMIUM AND FAMILY ALLOWANCE

The indexing of the basic benefits of social assistance¹ 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 some social assistance programs.

❑ Work premium

The general work premium is integrated with the social assistance program. It reaches its maximum at the income threshold at which a household fit for work is no longer eligible for social assistance program. 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 or severe health constraints,² where applicable, are integrated with social solidarity 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.

¹ Various social assistance programs provide financial support to individuals unable to meet their basic or essential needs. These programs include social assistance for households without severe employment constraints and the social solidarity program for those with severe employment constraints, or severe health constraints, where applicable.

² As part of the reform of the social assistance system, the concept of "severe employment constraints" will be replaced by that of "severe health constraints".

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

In 2026, the indexing rate of the Québec tax system (2.05%) 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 Manitoba and British Columbia.

TABLE 2

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

	2018	2019	2020	2021	2022	2023	2024	2025	2026 ⁽¹⁾
Federal ⁽²⁾	1.5	2.2	1.9	1.0	2.4	6.3	4.7	2.7	2.0
Provinces									
– Newfoundland and Labrador ⁽³⁾	3.0	1.8	0.9	0.4	2.8	5.9	4.2	2.3	1.1
– Prince Edward Island	—	—	—	—	—	—	—	—	—
– Nova Scotia ^{(3),(4)}	—	—	—	—	—	—	—	3.1	1.6
– New Brunswick ⁽²⁾	1.5	2.2	1.9	1.0	2.4	6.3	4.7	2.7	2.0
– Québec⁽⁵⁾	0.82	1.71	1.72	1.26	2.64	6.44	5.08	2.85	2.05
– Ontario ⁽³⁾	1.8	2.2	1.9	0.9	2.4	6.5	4.5	2.8	1.9
– Manitoba ⁽³⁾	1.2	2.6	2.2	1.0	2.1	7.0	5.2	1.2	2.1
– Saskatchewan ^{(2),(6)}	—	—	—	1.0	2.4	6.3	4.7	2.7	2.0
– Alberta ^{(3),(7)}	1.2	2.4	—	—	2.3	6.0	4.2	2.0	2.0
– British Columbia ⁽³⁾	2.0	2.6	2.5	1.1	2.1	6.0	5.0	2.8	2.2

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) Since the 2025 taxation year, Nova Scotia indexed its tax system based on the period from September to August.

(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 since taxation year 2022. From 2025, the indexation rate is set at 2% given the cap announced in 2024.

5. TABLES OF PARAMETERS

TABLE 3

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

	2025	2026
Tax table		
– Maximum threshold of first taxable income bracket	53 255	54 345
– Maximum threshold of second taxable income bracket	106 495	108 680
– Maximum threshold of third taxable income bracket	129 590	132 245
– Basic personal amount	18 571	18 952
Amount of recognized essential needs		
– Amount for person living alone		
▪ basic amount	2 128	2 172
▪ supplement for single-parent family	2 627	2 681
– Amount with respect to age	3 906	3 986
– Amount for retirement income	3 470	3 541
– Amount of transfer of the recognized parental contribution		
▪ maximum amount of recognized needs	13 658	13 938
▪ reduction where only one term of studies is completed	3 823	3 901
– Amount for a minor child enrolled in vocational training or post-secondary studies (per term; maximum of two terms)	3 823	3 901
– Amount respecting other dependents	5 570	5 684
– Amount for a severe and prolonged impairment in mental or physical functions	4 123	4 208
Certain deductions and exemptions		
– Maximum amount of the deduction for workers	1 420	1 450
– Amount of the personal contribution for the purposes of the deduction for the purchase of tradespersons' tools	1 430	1 460
– Maximum amount of the exemption relating to amounts paid to emergency services volunteers	1 420	1 450
– Maximum monthly amount for the exemption of certain allowances for room and board paid to young athletes	440	450
– Volunteer firefighters' amount	5 404	5 515
– Search and rescue volunteers' amount	5 404	5 515
– Amount of the general exemption from the alternative minimum tax	179 990	183 680
Maximum income to qualify for certain tax credits		
– Maximum family income to qualify for the tax credit for youth activities	168 470	171 925
– Maximum family income to qualify for the grant for seniors to offset a municipal tax increase	62 900	64 200

TABLE 3

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

	2025	2026
Reduction thresholds		
– Reduction threshold of the tax credit for a person living alone, for age and for retirement income	42 090	42 955
– Reduction thresholds of the refundable tax credit for home-support services for seniors		
▪ First reduction threshold	71 010	72 465
▪ Second reduction threshold	115 035	117 395
Tax credit for career extension		
– Exclusion of the first dollars of eligible employment income	7 500	7 655
– Maximum amount of eligible employment income	12 500	12 755
– Reduction threshold of the tax credit for career extension	56 500	57 660
Refundable tax credit for childcare expenses⁽¹⁾		
– Limit on fees in respect of children under 7 years of age	12 275	12 525
– Limit on fees in respect of children with disabilities	16 800	17 145
– Limit on fees in respect of another child	6 180	6 305
– Eligible child – Maximum income	13 658	13 938
Certain refundable tax credits		
– Tax credit for medical expenses		
▪ maximum amount	1 466	1 496
▪ minimum amount of work income	3 750	3 825
▪ reduction threshold	28 335	28 915
– Tax credit for caregivers		
▪ universal basic amount (co-residency)	1 494	1 525
▪ reducible amount based on the care receiver's income	1 494	1 525
▪ reduction threshold	26 520	27 065
– Québec education savings incentive		
▪ first income threshold for purposes of calculating the increase amount	53 255	54 345
▪ second income threshold for purposes of calculating the increase amount	106 495	108 680
– Senior assistance amount		
▪ reduction threshold for a single senior	27 835	28 405
▪ reduction threshold for a couple	45 270	46 200
▪ reduction rate (%) ⁽²⁾	5.40	5.47
1% contribution by individuals to the Health Services Fund		
– Maximum threshold of first income bracket	18 130	18 500
– Maximum threshold of second income bracket	63 060	64 355

TABLE 3

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

	2025	2026
Refundable tax credit granting an allowance to families		
– Family allowance		
▪ Maximum amounts		
○ each child	3 006	3 068
○ single-parent family	1 055	1 077
▪ Reduction threshold ⁽³⁾		
○ single-parent family	43 280	44 032
○ couple	59 369	60 398
▪ Minimum amounts		
○ each child	1 196	1 221
○ single-parent family	421	430
– Supplement for the purchase of school supplies	124	127
– Monthly amount of the supplement for handicapped children	236	241
– Monthly amount of the supplement for handicapped children requiring exceptional care – Level 1	1 191	1 215
– Monthly amount of the supplement for handicapped children requiring exceptional care – Level 2	792	808
General work premium⁽³⁾		
– Maximum amounts		
▪ person living alone	1 185.52	1 207.33
▪ couple without children	1 848.34	1 882.45
▪ single-parent family	3 066.00	3 122.40
▪ couple with children	3 983.50	4 057.00
– Reduction threshold		
▪ one adult	12 620	12 808
▪ couple	19 534	19 828
Adapted work premium for persons with a severely limited capacity for employment⁽³⁾		
– Maximum amounts		
▪ person living alone	2 257.33	2 294.59
▪ couple without children	3 501.46	3 559.12
▪ single-parent family	4 149.50	4 218.00
▪ couple with children	5 149.20	5 234.00
– Reduction threshold		
▪ one adult	17 798	18 072
▪ couple	26 946	27 370

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

(2) This rate is revalued each year.

(3) The increase in the parameter values is based on a revaluation formula that considers, among other things, the indexing of basic benefits of social assistance programs.

TABLE 4

Parameters of the refundable solidarity tax credit
(dollars)

	July 2025 to June 2026	July 2026 to June 2027
Amounts for the QST		
– basic amount	356	363
– amount for spouse	356	363
– additional amount for a person living alone	169	172
Amounts for housing		
– amount for a couple	888	906
– amount for a person living alone or a single-parent family	731	746
– amount for each dependent child	155	158
Amounts for individuals living in a northern village		
– amount per adult	2 091	2 134
– amount for each dependent child	452	461
Solidarity tax credit reduction threshold	42 325	43 195
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	25 665	26 190

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 2025			Taxation year 2026		
Family income (\$)		Tax credit rate (%)	Family income (\$)		Tax credit rate (%)
Greater than	Without exceeding		Greater than	Without exceeding	
—	24 795	78	—	25 305	78
24 795	43 725	75	25 305	44 620	75
43 725	45 340	74	44 620	46 270	74
45 340	46 970	73	46 270	47 935	73
46 970	48 570	72	47 935	49 565	72
48 570	50 195	71	49 565	51 225	71
50 195	119 835	70	51 225	122 290	70
119 835	or more	67	122 290	or more	67

