Corporate income tax: the rates for financial years beginning in 2024

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The Finance Act (Loi de Finances) 2023 launched a four-year reform of corporate income tax (IS). For financial years beginning from 2027, the target is just three rates: **20%** as the standard rate, **35%** for companies whose net taxable profit reaches MAD 100 million, and **40%** for credit institutions, Bank Al-Maghrib, the CDG and insurance and reinsurance companies.

To get there, article 247-XXXVII-A of the General Tax Code (CGI) sets transitional rates that rise or fall each year. Financial years beginning in 2024 are the second stage.

The rates for financial years beginning in 2024

Company's situation	2023	2024	2025	2026
Net profit ≤ MAD 300,000	12.50%	**15%**	17.50%	20%
Profit from MAD 300,001 to MAD 1,000,000	20%	**20%**	20%	20%
Profit > MAD 1m and < MAD 100m (general case)	28.25%	**25.50%**	22.75%	20%
Profit ≥ MAD 100m (general case)	32%	**33%**	34%	35%
Industrial companies, profit < MAD 100m	24.50%	**23%**	21.50%	20%
CFC (Casablanca Finance City) and ZAI (industrial acceleration zone) companies (specific rate)	16.25%	**17.50%**	18.75%	20%
Credit institutions, insurers, BAM, CDG	37.75%	**38.50%**	39.25%	40%

Companies that benefited from the capped 20% rate at 31 December 2022 (exporters, hotels, mining, craft businesses, private education, etc.) keep it as long as their profit stays below MAD 100 million. Above that threshold, their rate rises to 27.50% in 2024.

Important: the scale is not progressive band by band. The rate that matches the amount of profit applies to the whole profit. A company whose profit exceeds MAD 1 million therefore pays 25.50% on the entire amount, not 20% on the first slice. Note also that a company whose profit reaches at least MAD 100 million in any financial year of the 2023–2026 period can no longer drop back to a lower rate, unless it crossed the threshold solely because of capital gains on the sale of fixed assets (a concession introduced by the Finance Act 2024).

Worked example

A trading company set up as a private limited company (SARL) makes a net taxable profit of MAD 1,200,000 in its 2024 financial year.

- IS 2024: 1,200,000 × 25.50% = **MAD 306,000**.
- By comparison, the same profit would have been taxed at MAD 339,000 in 2023 (28.25%). In 2026 it will be taxed at only MAD 240,000 (20%).

A company with a profit of MAD 280,000, on the other hand, pays more than before: MAD 42,000 in 2024 (15%), compared with MAD 35,000 in 2023 (12.50%). The reform favours growing SMEs but increases corporate tax for the smallest businesses.

Provisional instalments

For each financial year in the transitional period, instalments are calculated at the rate applicable to that year (article 247-XXXVII-B of the CGI). For a financial year beginning in 2024, the four instalments are therefore based on the previous year's reference tax, but at the 2024 rates. A company whose situation changes significantly can adjust its payments under the conditions set out in the CGI.

The minimum tax

For financial years beginning from 2023, the minimum tax (cotisation minimale) is:

- **0.25%** of the base in the general case, whatever the year's result;

- **0.15%** for sales of certain basic products by trading companies (petroleum products, gas, butter, oil, sugar, flour, water, electricity, medicines);
- **4%** for certain liberal professions subject to personal income tax (IR).

The social solidarity contribution

The social solidarity contribution on profits is maintained for 2023, 2024 and 2025. It applies to profits of MAD 1 million or more, at rates of 1.5%, 2.5%, 3.5% or 5% depending on the amount. It must be declared and paid within three months of the year end.

Dividends

The withholding tax rate on dividends is also falling, depending on the financial year in which the distributed profit was made: 13.75% for profits from financial years beginning in 2023, 12.50% for 2024, 11.25% for 2025 and 10% for 2026. Profits made before 2023 remain subject to 15%. You therefore need to track which years your distributed reserves come from.

What we recommend

Because rates change from one year to the next, some decisions become sensitive: the timing of exceptional income, depreciation policy, and the date of dividend payments. A corporate tax projection for 2024–2026 gives you a sound basis for deciding.

Our tax & legal and accounting teams prepare these projections with you. To discuss your situation, contact us.

Sources

- Loi de finances n° 50-22 pour l'année budgétaire 2023 (in French), *Bulletin officiel* (sgg.gov.ma).
- Direction générale des impôts, note circulaire n° 733 relative aux dispositions fiscales de la loi de finances 2023 (in French) (tax.gov.ma).
- Code général des impôts, articles 19, 144 et 247-XXXVII (in French) (tax.gov.ma).

A question on this topic?

The Adyel & Associés teams in Casablanca support businesses and their directors with all their tax, accounting and payroll obligations. Let's talk about your situation.

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