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Corporate Tax Comparison — United States · Australia · Labuan (Malaysia) · United Kingdom — 2026

CATEGORY	UNITED STATES (C-CORP)	AUSTRALIA (PTY LTD)	LABUAN (MALAYSIA)	UNITED KINGDOM (LTD)
Headline rate	21% flat federal, all C-corps	30% standard rate	3% on net audited profits (trading); 0% for pure holding companies	25% main rate
Lower-rate tier	None — flat 21% regardless of size	25% for "base rate entities" (turnover under AUD 50M, ≤80% passive income)	0% holding rate is itself the lower tier vs. 3% trading	19% small profits rate (profits ≤ £50,000); marginal relief up to £250,000
Regional tax on top	0%–11.5% state tax on top (avg ~6.6% among states that levy it)	None — federal tax only, no state-level company tax	None — single federal-territory LBATA regime	None — single national rate
Substance / residency rules	None extra — follows US incorporation or effective management	Tax residency based on incorporation or central management/control in Australia	2 full-time Labuan staff + ~MYR 50,000 (~USD 10,500) annual local spend, tested annually	UK tax residency based on incorporation or central management and control
Withholding tax (outbound)	~30% on US-source dividends/interest/royalties to foreign persons (treaty rates lower this)	30% dividends (0% if fully franked), 10% interest, 30% royalties to non-residents	0% on dividends, interest, and royalties to non-residents	0% — the UK charges no withholding tax on dividends at all
Personal tax when owner draws profit	Qualified dividends taxed separately at 0/15/20% (+3.8% NIIT for high earners) — no credit for corporate tax already paid	Franking credits refund the company tax already paid — owner pays only the gap up to their marginal rate (0–45% + 2% Medicare levy)	No Malaysian tax on distributions from LBATA-taxed entities — exempt from Malaysia's dividend rules; home country may still tax on repatriation	Dividends taxed 10.75% (basic) / 35.75% (higher) / 39.35% (additional) above a £500 allowance — partial, not full, offset for corp tax paid
Rough total owner-level bite	~39–47% combined (corp + personal) for a high-income owner	Caps at the owner's top marginal rate (~47% incl. Medicare levy) — no extra layer on top of company tax	~3% (or 0%) total in Malaysia — but home-country tax on repatriated profit still likely applies	~45–55% combined for additional-rate taxpayers (25% corp + up to 39.35% dividend tax on the remainder)
Best fit	US-facing operations, US customers, USD banking access	Businesses with real Australian operations/customers; dividend imputation avoids double taxation for local shareholders	Genuine cross-border trading/holding structures with real ASEAN activity — not shell-only setups	UK-facing trading companies, or non-resident owners who value the lack of dividend withholding tax

General information only, not tax advice. Figures reflect 2026 rates and are approximate — combined and owner-level figures depend heavily on individual circumstances, applicable tax treaties, and residency status. Consult a qualified cross-border tax advisor before structuring a business.