

# NEW BRUNSWICK BUDGET



## HIGHLIGHTS FROM THE NEW BRUNSWICK BUDGET

Finance Minister Ernie Steeves tabled the 2024/25 New Brunswick provincial budget on March 19, 2024.

The budget projects a surplus of \$40.9 million for the upcoming 2024/25 fiscal year and an increase in net debt of \$315.3 million to reach \$12.68 billion by the end of March 2025. The forecast surplus for the almost completed 2023/24 fiscal year now stands at \$247.4 million, compared to the projected surplus of \$40.3 million.

On the income tax side, there were no increases or decreases to personal or corporate income tax rates for 2024. The budget includes a new non-refundable personal income tax credit for eligible volunteer firefighters and search and rescue volunteers.

The following pages are a summary of the changes announced in the budget. Please note that these changes are proposals until passed into law by the provincial government.

## PERSONAL TAX MATTERS

### Personal income tax rates and tax brackets

There were no proposed changes to personal income tax rates. Tax brackets and other amounts have also been indexed by 4.7% to recognize the impact of inflation. The table below shows New Brunswick tax rates and tax brackets for 2024.

TAXABLE INCOME RANGE	2024 TAX RATES
First \$49,958	9.4%
Over \$49,958 to \$99,916	14.0%
Over \$99,916 to \$185,064	16.0%
Over \$185,064	19.5%

The table below shows the 2024 combined federal and provincial highest marginal tax rates for various types of income.

INCOME TYPE	2024 COMBINED TAX RATES
Regular income	52.50%
Capital gains	26.25%
Eligible dividends	32.40%
Non-eligible dividends	46.83%

## New non-refundable personal income tax credits

The province will introduce new, non-refundable personal income tax credits for eligible volunteer firefighters and search and rescue volunteers. This will help support recruitment and retention, as well as recognize the contribution of these valued first responders. This tax credit will be effective for the 2024 taxation year.

## CORPORATE TAX MATTERS

### Corporate income tax rates

There were no changes proposed to corporate income tax rates. The table below shows the New Brunswick tax rates and small business limit for 2024.

CATEGORY	2024 TAX RATES
General rate	14.0%
Manufacturing and processing rate	14.0%
Investment income rate	14.0%
Small business rate	2.5%
Small business limit	\$500,000

The table below shows the 2024 combined federal and provincial corporate income tax rates for various types of income earned by a Canadian Controlled Private Corporation (CCPC).

INCOME TYPE	2024 COMBINED TAX RATES
Small business income	11.50%
Active income over \$500,000	29.00%
Manufacturing and processing income	29.00%
Investment income	52.67%

## OTHER INITIATIVES

### Low-Income Seniors' Benefit

The province proposed a permanent increase in the base amount of the benefit from \$400 to \$600, with the value of the benefit indexed to the Consumer Price Index annually, beginning with the 2025 benefit year.

### Vaping tax

The province intends to enter into a coordinated vaping product taxation agreement with the federal government. The excise duty is based on the volume of vaping substance in each vaping product. The province intends to implement the coordinated vaping duty on January 1, 2025.

## Legislative administrative changes

The province proposed legislative amendments to provide the government with greater flexibility to deliver timely, provincially administered programs as needed, while increasing access to Canada Revenue Agency tax filer data.

## WE CAN HELP

Your Assante advisor can help you assess the impact of these proposals on your personal finances or business affairs and show you ways to take advantage of their benefits or ease their impact. The resources available to you and your advisor include CI Assante Private Client's Wealth Planning Group, a multi-disciplinary team of accountants, lawyers and financial planners.

For more information, we encourage you to speak to your advisor or visit us at [assante.com](https://www.assante.com)

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