

HIGHLIGHTS FROM THE NOVA SCOTIA BUDGET

Minister of Finance Allan MacMaster tabled the 2024/25 Nova Scotia provincial budget on February 29, 2024.

The budget projects a deficit of \$467.4 million for the upcoming 2024/25 fiscal year followed by further deficits in the next three fiscal years. The forecast surplus for the almost completed 2023/24 fiscal year now stands at \$40.3 million, compared to a projected deficit of \$278.9 million.

On the income tax side, there were no increases or decreases to personal or corporate income tax rates for 2024. However, the budget introduces the indexing of the personal income tax system and an HST rebate for purpose-built rental housing.

The following pages are a summary of the changes announced in the budget. Please note that these changes are proposals until they are 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. Nova Scotia does not index its tax brackets to reflect the impact of inflation. The table below shows the Nova Scotia tax rates and brackets for 2024.

TAXABLE INCOME RANGE	2024 TAX RATES
First \$29,590	8.79%
Over \$29,590 to \$59,180	14.95%
Over \$59,180 to \$93,000	16.67%
Over \$93,000 to \$150,000	17.50%
Over \$150,000	21.00%

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	54.00%
Capital gains	27.00%
Eligible dividends	41.58%
Non-eligible dividends	48.28%

Personal income tax indexation

Beginning January 1, 2025, the province will introduce indexing to the provincial personal income tax system. Personal income tax brackets, the basic personal amount, spouse or common-law partner amount, amount for an eligible dependant, age amount, and the amount for infirm dependants age 18 or older will be indexed to Nova Scotia's inflation rate.

CORPORATE TAX MATTERS

Corporate income tax rates

There were no changes to corporate income tax rates announced in the budget. The table below shows the Nova Scotia tax rates and small business limit for 2024.

CATEGORY	2024 TAX RATES
General rate	14%
Manufacturing and processing rate	14%
Investment income rate	14%
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

Purpose-built rental housing rebate

The province introduced this rebate program in conjunction with the federal government. The program will rebate the provincial portion of the HST applicable to purpose-built rental housing projects which commenced construction on or after September 14th, 2023, and on or before December 31, 2030, which are completed construction by December 31, 2035.

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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