

NEW BRUNSWICK BUDGET



HIGHLIGHTS FROM THE NEW BRUNSWICK BUDGET

Finance Minister Ernie Steeves tabled the 2023/24 New Brunswick provincial budget on March 21, 2023.

The budget projects a surplus of \$40.3 million for the upcoming 2023/24 fiscal year and an increase in net debt of \$183 million to reach \$11.79 billion by the end of March 2024. The forecast surplus for the almost completed 2022/23 fiscal year now stands at \$862.6 million, compared to a projected surplus of \$35.2 million.

There were no new increases or decreases to personal or corporate income tax rates for 2023. The budget includes an income exemption on the first \$200 of Canada Pension Plan income and confirms the adoption of the federal backstop for carbon taxation.

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

On November 1, 2022, the province announced that it will reduce the tax rate on the second and third income brackets and eliminate the fourth income bracket for 2023. In addition, the tax rate on the highest tax bracket will be reduced from 20.3% to 19.5%. Tax brackets and other amounts have also been indexed by 6.3% to recognize the impact of inflation. The table below shows New Brunswick tax rates and tax brackets for 2023.

TAXABLE INCOME RANGE	2023 TAX RATES
First \$47,715	9.40%
Over \$47,715 to \$95,431	14.00%
Over \$95,431 to \$176,756	16.00%
Over \$176,756	19.50%

The table below shows the 2023 combined federal and provincial highest marginal tax rates for various types of income.

INCOME TYPE	2023 COMBINED TAX RATES
Regular income	52.50%
Capital gains	26.25%
Eligible dividends	32.40%
Non-eligible dividends	46.83%

Canada Pension Plan income

The province added an income exemption on the first \$200 of Canada Pension Plan income.

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 2023.

CATEGORY	2023 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 2023 combined federal and provincial corporate income tax rates for various types of income earned by a Canadian Controlled Private Corporation (CCPC).

INCOME TYPE	2023 COMBINED TAX RATES
Small business income	11.5%
Active income over \$500,000	29%
Manufacturing and processing income	29%
Investment income	52.67%

OTHER INITIATIVES

Carbon tax

The province has opted to adopt the federal backstop for carbon taxation. By moving to the federal backstop, New Brunswickers can expect to see federal rebates based on the amount of the federal carbon tax that is collected in the province each year.

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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Published March 22, 2023.