

HIGHLIGHTS FROM THE NOVA SCOTIA BUDGET

Minister of Finance Allan MacMaster tabled the 2023/24 Nova Scotia provincial budget on March 23, 2023.

The budget projects a deficit of \$278.9 million for the upcoming 2023/24 fiscal year with increasing annual deficits until 2025/26, with the deficit position improving in 2026/27. The forecast deficit for the almost completed 2022/23 fiscal year now stands at \$259.4 million, compared to a projected deficit of \$506.2 million.

There were no increases or decreases to personal or corporate income tax rates for 2023. However, the budget expands the More Opportunities for Skilled Trades (MOST) program to include eligible nurses.

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 2023.

TAXABLE INCOME RANGE	2023 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	17.5%
Over \$150,000	21%

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	54%
Capital gains	27%
Eligible dividends	41.58%
Non-eligible dividends	48.28%

More opportunities for skilled trades program

Effective for the 2023 and subsequent taxation years, the More Opportunities for Skilled Trades (MOST) program is being expanded to include registered nurses, licensed practical nurses, and nurse practitioners who work for publicly funded employers such as the Health Authorities, Emergency Medical Care Inc. (EHS LifeFlight, telehealth, medical communication centre), continuing care and disability support programs. It will also extend to nurses who work in publicly funded schools as part of the School Health Partnership Program.

MOST provides a refund of provincial personal income tax on the first \$50,000 of earned income for individuals under the age of 30 who are employed and registered in selected skilled trades.

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 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%

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)

IMPORTANT DISCLAIMERS

This communication is published by CI Assante Wealth Management ("Assante") as a general source of information only. It should not be construed as providing specific tax, accounting, legal or investment advice, and should not be relied upon as such. Professional advisors should be consulted prior to acting on any information provided herein. Neither Assante nor any of its affiliates, or their respective officers, directors, employees or advisors will be responsible in any manner for direct, indirect, special or consequential damages or losses, howsoever caused, arising out of the use of this communication.

Facts and data provided herein are believed to be reliable as at the date of publication, however Assante cannot guarantee that they are accurate or complete or that they will remain current at all times.

CI Assante Wealth Management is a registered business name of Assante Wealth Management (Canada) Ltd. CI Assante Private Wealth is a division of

CI Private Counsel LP. © 2023 CI Assante Wealth Management. All rights reserved.

Published March 24, 2023.