



TaxNewsFlash

Canada

Highlights of the 2023 New Brunswick Budget

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New Brunswick's Finance Minister Ernie Steeves delivered the province's 2023 budget on March 21, 2023. The budget anticipates a surplus of \$862.6 million for 2022-23 and projects surpluses of \$40.3 million for 2023-24 and \$27 million for 2024-25. Although the budget does not include any new changes to the corporate or personal tax rates, it confirms that the federal fuel charge will take effect in the province, among other previously announced tax measures.

Corporate tax changes

Corporate income tax rates

The budget does not announce changes to the province's corporate tax rates. As a result, New Brunswick's corporate income tax rates remain as follows:

Corporate Income Tax Rates — As of January 1, 2023		
	New Brunswick	Combined Federal and New Brunswick
General	14%	29%
M&P	14%	29%
Small business ¹	2.5%	11.5%

¹ On first \$500,000 of active business income.

Personal tax changes

Personal income tax rates

The budget does not announce new changes to the province's personal tax rates, but acknowledges that New Brunswick recently reduced its personal income tax rates effective January 1, 2023. Previously, New Brunswick reduced the tax rate on its second and third income brackets and eliminated the fourth income bracket. In addition, the province reduced the tax rate on its highest tax bracket to 19.5% (from 20.3%).

As a result, New Brunswick's personal income tax rates effective January 1, 2023 are as follows:

Personal Combined Federal/New Brunswick Top Marginal Rates	
	2023
Interest and regular income	52.50%
Capital gains	26.25%
Eligible dividends	32.40%
Non-eligible dividends	46.83%

Carbon tax changes

Federal fuel charge

The budget confirms that the federal fuel charge will take effect in New Brunswick. Previously, New Brunswick announced that it would not move forward with its own provincially designed price on carbon, effective July 1, 2023. As a result, the federal carbon pollution pricing backstop will instead apply.

We can help

Your KPMG adviser can help you assess the effect of the tax changes in this year's New Brunswick budget on your personal finances or business affairs, and point out ways to realize any tax savings. We can also keep you abreast of the progress of these proposals as they make their way into law.

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