



TaxNewsFlash

Canada

Highlights of the 2023 Nova Scotia Budget

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Nova Scotia's Finance Minister Allan MacMaster delivered the province's 2023 budget on March 23, 2023. The budget anticipates a deficit of \$259 million for 2022-23 and projects deficits of \$279 million for 2023-24 and \$464 million for 2024-25. Although the budget does not include any new changes to the corporate or personal tax rates, it expands the More Opportunities for Skilled Trades (MOST) tax refund to include qualifying employed health care professionals.

Corporate tax changes

Corporate income tax rates

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

Corporate Income Tax Rates — As of January 1, 2023		
	Nova Scotia	Combined Federal and Nova Scotia
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 changes to personal tax rates. As a result, Nova Scotia's personal income tax rates effective January 1, 2023 are as follows:

Personal Combined Federal/Nova Scotia Top Marginal Rates	
	2023
Interest and regular income	54.00%
Capital gains	27.00%
Eligible dividends	41.58%
Non-eligible dividends	48.27%

Tax refund for skilled trades

The budget expands the More Opportunities for Skilled Trades (MOST) tax refund to certain health care professionals. This program provides a refund of personal provincial income tax on the first \$50,000 of earned income for eligible individuals under the age of 30 who are registered in certain skilled trades and occupations in the province. Effective for the 2023 taxation year and onwards, this refund will expand to include:

- Registered nurses, licensed practical nurses, and nurse practitioners who work for publicly funded employers, continuing care and disability support programs
- Nurses working in publicly funded schools as part of the School Health Partnership Program.

We can help

Your KPMG adviser can help you assess the effect of the tax changes in this year's Nova Scotia 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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