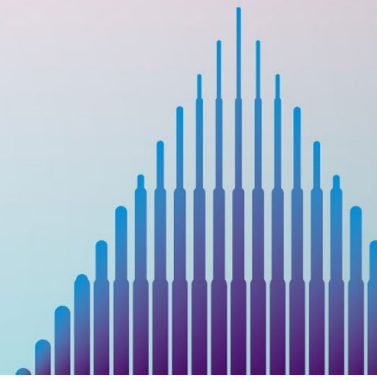




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Canada



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## Territorial 2023 Budget Round-Up — No Tax Rate Changes

*Yukon, the Northwest Territories and Nunavut have all released their budgets for 2023, which do not include significant tax changes*

Yukon, the Northwest Territories and Nunavut did not amend their corporate or personal income tax rates in their 2023 budgets. However, Nunavut introduced a new refundable Nunavut Carbon Credit that provides direct cash payments to taxpayers, among other tax changes.

### Corporate tax rates

The budgets do not announce changes to the territories' corporate tax rates. As a result, the corporate income tax rates remain as follows:

Corporate Income Tax Rates – As of January 1, 2023		
	Yukon	Combined Federal and Yukon
General	12.0%	27.0%
M&P	2.5%	17.5%
Small Business <sup>1</sup>	0%	9.0%
	Northwest Territories	Combined Federal and Northwest Territories
General	11.5%	26.5%
M&P	11.5%	26.5%
Small Business <sup>1</sup>	2.0%	11.0%
	Nunavut	Combined Federal and Nunavut
General	12.0%	27.0%
M&P	12.0%	27.0%
Small Business <sup>1</sup>	3.0%	12.0%

<sup>1</sup>On first \$500,000 of active business income.

### Personal tax rates

Yukon, the Northwest Territories and Nunavut did not introduce personal income tax rate changes. As such, the territories' top marginal personal income tax rates, effective January 1, 2023, remain as follows:

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Personal Combined Federal/Territorial Top Marginal Rates — 2023			
	Yukon	Northwest Territories	Nunavut
Interest and regular income	48.00%	47.05%	44.50%
Capital gains	24.00%	23.53%	22.25%
Eligible dividends	28.92%	28.33%	33.08%
Non-eligible dividends	44.05%	36.82%	37.79%

## Territorial tax changes

### *Northwest Territories*

The Northwest Territories budget, which was delivered on February 8, 2023, did not announce new tax measures. However, the budget indexes property tax mill rates and certain other fees for inflation.

### *Nunavut*

Nunavut's budget, which was delivered on February 23, 2023, introduced the Nunavut Carbon Credit, a new refundable tax credit that provides taxpayers with a direct cash payment every three months.

### *Yukon*

The Yukon budget, which was delivered on March 2, 2023, did not announce any new tax measures but acknowledged that the tax rate on tobacco products increased to 32 cents per cigarette (from 31 cents) as of January 1, 2023, due to changes to the Consumer Price Index (CPI).

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