



TaxNewsFlash

Canada

Highlights of the 2024 Nova Scotia Budget

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Nova Scotia's Finance Minister Allan MacMaster delivered the province's 2024 budget on February 29, 2024. The budget anticipates a surplus of \$40.3 million for 2023-24 and projects deficits of \$467.4 million for 2024-25 and \$608.7 million for 2025-26. Although the budget does not include any new changes to the corporate or personal tax rates, it introduces indexing to the provincial personal income tax system for the 2025 and subsequent taxation years.

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, 2024		
	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, 2024 are as follows:

Personal Combined Federal/Nova Scotia Top Marginal Rates	
	2024
Interest and regular income	54.00%
Capital gains	27.00%
Eligible dividends	41.58%
Non-eligible dividends	48.27%

Indexation of personal income tax system

The budget introduces indexing of the provincial personal income tax system to Nova Scotia's inflation rate for the 2025 and subsequent taxation years. The budget notes that taxable income brackets will be subject to annual adjustment, and the following non-refundable tax credits will also be indexed:

- Basic personal amount
- Spouse or common-law partner amount
- Amount for an eligible dependant
- Age amount
- Amount for infirm dependants age 18 or older.

Changes to tax brackets and non-refundable tax credits will apply as of January 1, 2025.

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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