



# TaxNewsFlash

Canada

## Highlights of the 2024 New Brunswick Budget

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New Brunswick's Finance Minister Ernie Steeves delivered the province's 2024 budget on March 19, 2024. The budget anticipates a surplus of \$247 million for 2023-24 and projects surpluses of \$41 million for 2024-25 and \$39 million for 2025-26. Although the budget does not include any new changes to the corporate or personal tax rates, it announces that New Brunswick intends to enter into a coordinated vaping product taxation agreement with the federal government, and provides new tax credits for eligible volunteer firefighters and search and rescue volunteers, among other changes.

### 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, 2024		
	New Brunswick	Combined Federal and New Brunswick
General	14%	29%
M&P	14%	29%
Small business <sup>1</sup>	2.5%	11.5%

<sup>1</sup> 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, New Brunswick's personal income tax rates effective January 1, 2024 are as follows:

<b>Personal Combined Federal/New Brunswick Top Marginal Rates</b>	
	<b>2024</b>
Interest and regular income	52.50%
Capital gains	26.25%
Eligible dividends	32.40%
Non-eligible dividends	46.83%

### Volunteer firefighters and search and rescue volunteers

The budget announces non-refundable personal income tax credits for eligible volunteer firefighters and search and rescue volunteers, effective for the 2024 taxation year. The budget does not provide any further details on this change.

### Low-income seniors

The budget announces that New Brunswick will increase the base amount of the Low-Income Seniors' Benefit to \$600 (from \$400), and that the value of the benefit will be indexed to the Consumer Price Index annually, beginning with the 2025 benefit year.

## Indirect tax changes

### Vaping tax

The budget confirms that New Brunswick plans to tax vaping substances under the federal-provincial coordinated vaping tax framework, with an intended implementation date for the coordinated vaping duty of January 1, 2025. As a result, in addition to the current federal excise duty, the following provincial tax rates will apply:

- First 10 millilitre (mL) or gram (g) of vaping substances in the vaping device or container — \$1 per 2 mL/g or fraction thereof, plus
- For amounts over the first 10 mL/g — \$1 per 10 mL/g or fraction thereof.

### Other tax changes

The budget notes that New Brunswick intends to make certain administrative changes to:

- Allow flexibility to deliver timely, provincially administered programs
- Increase access to CRA tax filer data.

## 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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