



TaxNewsFlash

Canada

Highlights of the 2024 Newfoundland and Labrador Budget

March 21, 2024

No. 2024-12

Newfoundland and Labrador's Finance Minister Siobhan Coady delivered the province's 2024 budget on March 21, 2024. The budget anticipates a deficit of \$433 million for 2023-24 and projects a deficit of \$152 million for 2024-25 and a surplus of \$58 million for 2025-26. The budget reduces the province's small business income tax rate to 2.5% (from 3%), effective January 1, 2024, but does not include any new changes to personal tax rates, or other tax changes.

Corporate tax changes

Corporate income tax rates

The budget reduces the small business income tax rate to 2.5% (from 3%), effective January 1, 2024. As a result, Newfoundland and Labrador's corporate income tax rates are as follows:

Corporate Income Tax Rates — As of January 1, 2024		
	Newfoundland and Labrador	Combined Federal and Newfoundland and Labrador
General	15%	30%
M&P	15%	30%
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, Newfoundland and Labrador's personal income tax rates effective January 1, 2024, remain as follows:

Personal Combined Federal/Newfoundland and Labrador Top Marginal Rates	
	2024
Interest and regular income	54.80%
Capital gains	27.40%
Eligible dividends	46.20%
Non-eligible dividends	48.96% ¹

¹ Note that this rate is subject to change if consequential adjustments are subsequently made to the dividend tax credit rate for non-eligible dividends as a result of the reduced small business income tax rate.

We can help

Your KPMG adviser can help you assess the effect of the tax changes in this year's Newfoundland and Labrador 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.

kpmg.ca



[Contact Us](#) | [KPMG in Canada Privacy Policy](#) | [KPMG On-Line Privacy Policy](#) | [Legal](#)

Information is current to March 21, 2024. The information contained in this *TaxNewsFlash-Canada* is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

© 2024 KPMG LLP, an Ontario limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.