



Focused on what
matters to you

Alberta

Budget 2023



February 28, 2023

Alberta Finance Minister Travis Toews tabled Alberta's 2023 budget (AB Budget 2023) on February 28, 2023, prior to the upcoming provincial elections.

AB Budget 2023 estimates that the province's surplus for the 2022-23 fiscal year was \$10.4 billion, compared to the \$0.5 billion surplus projected in the previous budget. The increase in the surplus is primarily due to rising energy prices.

Year	Projected surplus/(deficit)
2023-24	\$2.4 billion
2024-25	\$2.0 billion
2025-26	\$1.4 billion

Business tax measures

Corporate tax rates

AB Budget 2023 contains no changes to the corporate tax rates or the \$500,000 small business limit.

2023 combined federal and Alberta corporate tax rates

Corporate tax rates	Federal and AB combined
Small business tax rate(non-ZETM ¹)	11.00%
Small business tax rate (ZETM)	6.50%
General corporate tax rate	23.00%
Manufacturing and processing tax rate	23.00%
ZETM	15.50%

¹ Zero-emission technology manufacturer

Agri-Processing Investment Tax Credit

AB Budget 2023 introduces an investment tax credit to encourage large-scale investment in the value-added agri-food sector. The Agri-Processing Investment Tax Credit provides a 12% non-refundable tax credit against eligible capital investments of at least \$10 million to build or expand agri-processing facilities in Alberta. Corporations will be allowed to carry forward unused credits for 10 years and benefit from the credit once their facility is operational and the corporation is profitable. Details on eligible expenditures will be released in Spring 2023. This measure will apply to capital investments made on or after February 7, 2023.



Personal tax measures

Personal income tax rates

AB Budget 2023 doesn't change the personal rates. The indexed personal tax brackets (\$) and the respective marginal tax rates (%) for 2023 are as follows:

Tax brackets and marginal tax rates

\$142,292 or less 10%	\$227,669 - \$341,502 14%
\$142,293 - \$170,751 12%	\$341,503 and over 15%
\$170,752 - \$227,668 13%	

Adoption Expenses Tax Credit

AB Budget 2023 increases the maximum allowable expenses for the Adoption Expenses Tax Credit to \$18,210. This non-refundable tax credit applies to eligible adoption costs (e.g., legal and administrative fees, travel-related costs) incurred by parents. The expanded credit applies to qualifying expenses at a rate of 10% and is expected to provide up to \$1,821 in provincial tax relief.

The increased credit would be effective for 2023 and will be indexed thereafter.

Sales and excise tax measures

Education property tax

AB Budget 2023 freezes the education property tax requisition for 2023-24 at the prior period level of \$2.5 billion. The budget also decreases the residential / farmland mill rate to \$2.56 (from \$2.65) and decreases the non-residential rate to \$3.76 (from \$3.90).

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Other notable changes



CHARITABLE DONATIONS TAX CREDIT

Increasing this tax credit on the first \$200 of charitable contributions to

60% (from 10%)

The government previously announced this measure, which is effective for 2023 and subsequent years.



STRENGTHENING HEALTHCARE

Increasing the health care operating expense by \$965 million for 2023-24 and

\$2.5 billion

over the next three years. This will include funding for additional seats for physician training at Alberta's medical schools and to attract internationally educated nurses.



AFFORDABLE EDUCATION

Making post-secondary education more affordable by:

- capping tuition increase at 2% annually effective 2024-25
- reducing interest rates on student loans from prime plus 1% to prime
- extending the loan grace period from six months to one year following graduation
- increasing the threshold for repayment assistance plans for student loan borrowers to \$40,000 (from \$25,000).



AFFORDABILITY PAYMENTS

Providing \$904 million

over four years to index the Alberta Child and Family Benefit, Income Support, Assured Income for the Severely Handicapped (AISH) and Alberta Seniors Benefit to inflation on an ongoing basis. An additional \$356 million will be funded to compensate those who care for the most vulnerable, including front-line workers in disability services, homeless shelters and family violence prevention programs.



AFFORDABLE CHILDCARE

Providing \$1.3 billion in funding in 2023-24 increasing to \$1.6 billion in 2025-26 to reduce childcare fees to an average of \$15 per day in 2023-24 and to

\$10 per day by 2026.

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