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matters to you

Nova Scotia

Budget 2023



March 23, 2023

Finance Minister Allan MacMaster tabled Nova Scotia's budget (NS Budget 2023) for the 2023-24 fiscal year on March 23, 2023.

NS Budget 2023 projects a deficit of \$259.4 million for the 2022-23 fiscal year, compared to a \$506.2 million deficit projected in the previous budget.

Fiscal projections for the next four years are as follows:

Year	Projected surplus/(deficit)
2023-24	(\$278.9 million)
2024-25	(\$464.3 million)
2025-26	(\$610.7 million)
2026-27	(\$499.2 million)

Business tax measures

Corporate tax rates

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

2023 combined federal and Nova Scotia corporate tax rates

Corporate tax rates	NS only	Federal and NS combined
Small business tax rate	ZETM ¹ : 2.5% Non-ZETM: 2.5%	ZETM: 7.0% Non-ZETM: 11.5%
General corporate tax rate	29.0%	29.0%
Manufacturing and processing tax rate	ZETM: 14.0% Non-ZETM: 14.0%	ZETM: 21.5% Non-ZETM: 29.0%

¹ zero-emission technology manufacturer

More Opportunity for Skilled Trades

NS Budget 2023 expands eligibility for the More Opportunity for Skilled Trades (MOST) tax incentive. MOST offers a provincial tax rebate to eligible workers of targeted trades and industries who are under the age of 30 on the first \$50,000 of income. This expanded rebate now includes registered nurses, licensed practical nurses, and nurse practitioners who work for:

- publicly funded employers, such as the Nova Scotia Health Authority and Emergency Medical Care Inc. (including LifeFlight, telehealth, and medical communication centre)
- continuing care and disability support programs
- publicly funded schools as part of the School Health Partnership Program

Nova Scotia introduced MOST in NS Budget 2022 to attract and retain young workers in industries with labour shortages. This expanded rebate is effective with the 2023 taxation year.



Personal tax measures

Personal income tax rates

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

Tax brackets and marginal tax rates

\$29,590 or less 8.79%	\$93,001 - \$150,000 17.50%
\$29,591 - \$59,180 14.95%	\$150,001 and over 21.00%
\$59,181 - \$93,000 16.67%	

The top combined federal Nova Scotia marginal tax rates for 2023 are as follows:

Taxable income	Tax rate
Salary/interest	54.00%
Capital gains	27.00%
Eligible dividends	41.58%
Non-eligible dividends	48.28%

Sales tax measures

NS Budget 2023 proposes no changes to the current 15% Harmonized Sales Tax (HST) rate, which is composed of a federal component of 5% and a provincial component of 10%.

Other notable changes



HEALTH CARE

Investing **\$6.5 billion** in health care (up 21.8% from 2021), representing 45% of all government spending. This funding supports recruiting, training, and retention of health care workers, improving health in rural communities, and increasing support for mental health programs.



HOUSING

Providing an additional **\$21.6 million** of funding to new rent supplements and \$8.2 million to support homelessness and related housing initiatives.



EDUCATION

Investing **\$240.8 million** in building and renovating schools across Nova Scotia and providing an additional \$3.8 million in grants to support students in universities.



CHILD CARE

Investing **\$42.1 million** to reduce child care fees, \$40 million to grow the workforce and fund the increased capacity of child care centres, and \$8 million to provide more support for low-income families under the Nova Scotia Child Benefit program.



ENVIRONMENT INITIATIVES

Providing **\$41.4 million** to fund clean energy and energy efficiency projects. These projects may include moving from coal to green hydrogen and renewable energy, supporting adoption of solar energy, consumer rebates for zero-emission vehicles and e-bikes, research in electric vehicle battery technology, and coastal wetland restoration.

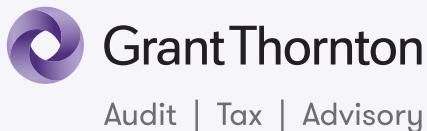




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