

Budget 2022

Nova Scotia

Making sense of what's next.

March 2022

On March 29, 2022, Finance Minister Allan MacMaster tabled Nova Scotia's budget for the 2022-23 fiscal year (NS Budget 2022).

NS Budget 2022 projects a surplus of \$107.7 million for the 2021-22 fiscal year, compared to a \$584.9 million deficit projected for the same fiscal year in the previous budget.

Fiscal results for the next four years are projected as follows:

Year	Projected surplus/(deficit)
2022-23	(\$506.2 million)
2023-24	(\$418.8 million)
2024-25	(\$377.3 million)
2025-26	(\$293.7 million)



Tax measures

Corporate tax rates

No changes are proposed to the \$500,000 small business limit and corporate tax rates.

Nova Scotia corporate tax rates

	Small business tax rate	General corporate tax rate	Manufacturing and processing tax rate
NS only	2.5%	14.0%	14.0%
Federal and NS combined	11.5%	29.0%	29.0%

Personal income tax rates

There are no changes to personal tax brackets and rates. The rates for 2022 are as follows:

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

The top combined federal Nova Scotia marginal tax rates for 2022 are as follows:

Taxable income	2022
Interest	54.00%
Capital gains	27.00%
Eligible dividends	41.58%
Regular dividends	48.28%

Children's Sports and Arts Tax Credit

NS Budget 2022 introduces a new Children's Sports and Arts refundable tax credit that allows parents to claim expenses up to \$500 for each child under the age of 19.

Eligible expenditures include amounts paid for programs in literary, visual and performing arts; music; media; languages; customs; heritage and organized physical activities.

This measure is expected to be effective for the 2022 and subsequent taxation years.

Fertility and surrogacy rebates

NS Budget 2022 proposes fertility and surrogate rebates to support people seeking fertility treatments or the assistance of a surrogate.

The Fertility Rebate is expected to provide a 40 per cent refundable tax credit on expenditures for medical expenses incurred by an individual, their spouse or common-law partner for eligible infertility treatments. This tax credit has an annual maximum limit of \$8,000, with no lifetime maximum.

The Surrogacy Rebate is expected to provide a 40 per cent rebate on eligible expenditures for medical expenses paid for or on behalf of a surrogate that are not claimed as medical expenses by the surrogate. The Surrogacy Rebate expenses are not eligible for the Fertility Rebate. The rebate has an annual maximum limit of \$8,000.

These measures are expected to be effective for the 2022 and subsequent taxation years.

More Opportunities for Skilled Trades (MOST) tax refund

A new More Opportunities for Skilled Trades (MOST) measure is introduced in NS Budget 2022. This will refund the provincial personal income tax paid on the first \$50,000 of earned income for individuals under the age of 30 who are employed and registered in the following trades and occupations:

- Manufacturing
- Computer and IT
- Transportation
- Film
- Video
- Service sectors

This measure is expected to be effective for the 2022 and subsequent taxation years and further details on the eligible occupations will be provided in regulations.

Sales tax

No changes to the current 15 percent HST rate are proposed in NS Budget 2022. This is composed of a federal component of five percent and a provincial component of ten percent.

Non-Resident Deed Transfer Tax

NS Budget 2022 introduces a 5 per cent Deed Transfer Tax on the value of residential real property purchased by a non-resident of Nova Scotia.

This measure will be effective on April 1, 2022 but will not apply to purchases entered into before April 1, 2022 and to non-resident purchasers who move to the Province within 6 months of the closing date.

Non-Resident Property Tax

A property tax of \$2 per \$100 of assessed value on residential real property owned by a non-resident of Nova Scotia is introduced in NS Budget 2022.

This measure is expected to be effective for the 2022–23 fiscal year but will not apply to:

- Residential properties that contain more than 3 units
- Residential properties that are leased to individual residents of Nova Scotia for a period of at least 12 months.

Child care - \$113.2 million investment in child care in support of the federal government's \$10/day child care plan

Senior care - \$29.1 million investment in the Seniors Care Grant, which provides up to \$500 for each household to help low-income seniors with the cost of household services

Green initiatives - Investing \$57 million to expand energy efficiency programming for homes and businesses; investing \$44.9 million from the Green Fund for projects that reduce greenhouse gas emissions, and support energy efficiency, climate adaptation and the transition to a low-carbon economy; investing \$29.2 million in Canada Infrastructure Program green and transit projects; investing \$12 million each year in the Innovation Rebate Program, which has become a permanent measure.

Other notable items

Health care - \$5.7 billion in funding for health care (\$413.4 million increase from last year) including expanding addictions and mental health care, improving access to primary care and investing in long-term care

Housing - An additional \$15 million in funding for affordable housing programs and \$2.7 million for new rent supplements

Disability support - \$54.2 million increase in funding for various disability programs



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