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# Saskatchewan

**Budget 2023**

March 22, 2023

Finance Minister Donna Harpauer tabled Saskatchewan's 2023-24 budget (SK Budget 2023) on March 22, 2023.

SK Budget 2023 estimates a surplus of \$1.147 billion for the 2022-23 fiscal year, compared to a \$463 million deficit projected in the previous budget. Fiscal projections for the next four years are as follows:

Year	Projected surplus/(deficit)
2023-24	\$1,017 million
2024-25	\$208 million
2025-26	\$134 million
2026-27	\$101 million

## Business tax measures

### Corporate tax rates

Saskatchewan's small business tax rate increases to 1% (from nil), effective July 1, 2023. This rate will return to 2% on July 1, 2024.

Saskatchewan had temporarily reduced its small business rate to nil (from 2%) from October 1, 2020 until June 30, 2023.

### 2023 small business rates

Period	Provincial small business rate
October 1, 2020 to June 30, 2023	0%
July 1, 2023 to June 30, 2024	1%
July 1, 2024 onwards	2%

SK Budget 2023 proposes no changes to the \$600,000 small business limit.

### 2023 combined federal and Saskatchewan corporate tax rates

Corporate tax rates	Prior to July 1, 2023	After June 30, 2023
Small business tax rate (income up to \$500,000)	ZETM <sup>1</sup> : 4.5% Non-ZETM: 9%	ZETM: 5.5% Non-ZETM: 10%
Small business tax rate (income between \$500,000 and \$600,000)	ZETM: 7.5% Non-ZETM: 15%	ZETM: 8.5% Non-ZETM: 16%
General corporate tax rate	27%	27%
Manufacturing and processing tax rate	ZETM: 17.5% Non-ZETM: 25%	ZETM: 17.5% Non-ZETM: 25%

<sup>1</sup> zero-emission technology manufacturer



## Manufacturing and Processing Exporter Tax Incentive

SK Budget 2023 extends the Manufacturing and Processing (M&P) Exporter Tax Incentive to December 31, 2023. This tax incentive is intended to encourage Saskatchewan businesses to expand their production and export capacity. The M&P Exporter Tax Incentive provides the following non-refundable tax credits to eligible corporations for the number of M&P related full-time employees above the number that were employed in 2014:

- **Hiring Tax Credit:** \$3,000 for each incremental full-time employee each year
- **Head Office Tax Credit:** \$10,000 for each incremental full-time “head office” employee

Please refer to Saskatchewan’s [website](#) for additional details on this incentive.

## Saskatchewan Mineral Exploration Tax Credit

SK Budget 2023 triples the Saskatchewan Mineral Exploration Tax Credit rate to 30% (from 10%). This non-refundable tax credit encourages residents to invest in mineral exploration activities within the province by purchasing eligible flow-through shares issued by approved mineral exploration companies. This credit harmonizes with the federal government’s 15% Mineral Exploration Tax Credit, increasing the total tax credit to 45% (30% provincial and 15% federal) for Saskatchewan residents.

## Personal tax measures

### Personal income tax rates

SK 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

\$49,720 or less	\$142,059 and over
<b>10.5%</b>	<b>14.5%</b>
\$49,721 – \$142,058	
<b>12.5%</b>	

The top combined federal and Saskatchewan marginal tax rates for 2023 are as follows:

Taxable income	2023
Salary/interest	47.50%
Capital gains	23.75%
Eligible dividends	29.64%
Non-eligible dividends	41.82%

## Enhancement of social services and assistance

SK Budget 2023 increases certain existing benefits to support low-income families and seniors. The following benefits increase by \$30/month:

- Saskatchewan Income Support (including the Adult Basic Benefit, Shelter Benefit, and Alternative Heating Benefit)
- Saskatchewan Assured Income for Disabilities (SAID)
- Senior’s Income Plan Benefit.

SK Budget 2023 also increases the Personal Care Home Benefit by \$400/month for eligible individuals and \$684/month for qualifying SAID individuals under age 65.

## Sales tax measures

### Provincial Sales Tax

SK Budget 2023 exempts the following from Provincial Sales Tax (PST):

- labour costs to repair and install exempt medical equipment, effective April 1, 2023
- storage buildings used specifically for storing produce grown commercially, effective retroactively from April 1, 2019
- boats with attached harvesting equipment used primarily in rice farming, effective retroactively from April 1, 2019
- hydraulic pipe tables, effective April 1, 2023
- geothermal drilling rigs used for commercial geothermal drilling, effective retroactively from April 1, 2017.



## Other notable changes



### HEALTH CARE

Investing

**\$7.1 billion**

in health care (up 6.7% from 2022). This funding supports the recruiting, training, and retention of health care workers, to reduce the surgical wait time, and to support mental health and addictions programs.



### INDIGENOUS BUSINESSES

Providing

**\$249.1 million**

(up 6.8% from 2022) in targeted funding for Indigenous and Métis people and organizations.

Visit our [Budget 2023](#) hub to learn more about all federal and provincial budgets.



### CHILD CARE

Providing

**\$382.4 million**

in funding to reduce the child care fees to \$10/day for children under the age of six.

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### POST-SECONDARY EDUCATION

Investing

**\$764.8 million**

in post-secondary education, including additional funding for the Student Aid Fund, the Saskatchewan Advantage Scholarship, and the Graduate Retention Program. The Graduate Retention Program provides up to \$20,000 in income tax credits to students who remain in Saskatchewan and work after completing their post-secondary education.

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