

Budget 2022

New Brunswick

Making sense of what's next.

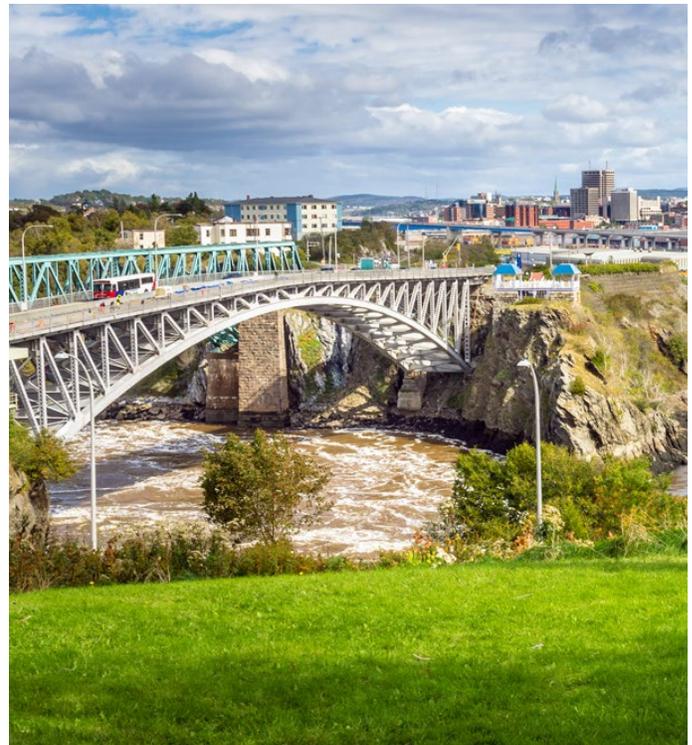
March 2022

On March 22, 2022, Finance Minister Ernie L. Steeves tabled New Brunswick's 2022-23 budget (NB Budget 2022).

The estimates provided in NB Budget 2022 show that the province projects a surplus of \$488 million for the 2021-22 fiscal year, compared to a \$245 million deficit projected for the same fiscal year in the previous budget.

From a fiscal perspective, the province projects a surplus over the next three years as follows:

Year	Projected surplus (deficit)
2022-23	\$35 million
2023-24	\$21 million
2024-25	\$39 million



Tax measures

Corporate tax rates

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

New Brunswick's corporate tax rates for 2022 are summarized as follows:

Combined federal and New Brunswick corporate tax rates

Year	Small business tax rate	General corporate tax rate	Manufacturing and processing tax rate
2022	11.5%	29.0%	29.0%

Personal income tax rates

NB Budget 2022 proposes the following measures, effective January 1, 2022:

- increase basic personal amount from \$10,817 to \$11,720
- increase the Low-Income Tax Reduction threshold from \$18,268 to \$19,177 (consequently, individuals with income up to \$19,177 will not pay provincial personal income tax)

New Brunswick's personal tax brackets are indexed to inflation on an annual basis. NB Budget 2022 proposes no further changes to the personal tax brackets and rates. The rates for 2022 are as follows:

Tax brackets	Marginal tax rates
\$44,887 or less	9.40%
\$44,888 - \$89,775	14.82%
\$89,776 - \$145,955	16.52%
\$145,956 - \$166,280	17.84%
\$166,281 and over	20.30%

The top combined federal and New Brunswick marginal tax rates for 2022 are as follows:

Type of income	Tax rate
Regular	53.30%
Capital gains	26.65%
Eligible dividends	33.51%
Regular dividends	47.75%

Sales and excise taxes

NB Budget 2022 proposes no changes to the current 15% HST rate, which is composed of a 5% federal component and a 10% provincial component.

Carbon tax

Effective April 1, 2022, the provincial carbon tax will increase from \$40 per tonne to \$50 per tonne. Gas prices will increase by 2.21 cents/litre and diesel by 2.68 cents/litre as a result.

Property tax

The government has confirmed that the provincial property tax rate will be reduced as follows:

- 50% reduction for non-owner-occupied residential properties (including apartment buildings and other rental properties)
- 15% reduction for other residential properties (including nursing homes) and for non-residential properties

The property tax reduction will be phased in over three years, beginning with the 2022 property tax year.



Other notable items

Climate – \$47 million invested into the Climate Change Fund (\$11 million increase from last year) to support climate-related initiatives.

Housing – Rent increase capped at 3.8 per cent for 2022, retroactive to Jan 1, 2022.

Wage increase – Minimum wage increased to \$13.75 per hour by October (\$1 per hour increase on April 1, 2022 and another \$1 per hour increase on October 1, 2022). \$38.6 million in funding to increase wages for human service workers including home support, group homes, employment and support services agencies, etc.

Child care – \$500 million invested in early learning and child care over the next five years in support of the federal government’s \$10/day child care agreement.