

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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