



Canadian tax alert

2017-2018 Nova Scotia budget highlights

On April 27, 2017 Finance and Treasury Board Minister Randy Delorey presented the 2017-2018 Nova Scotia budget, "Opportunities for Growth".

The following is a summary of the highlights contained in the budget.

Fiscal/economic outlook

The 2017-2018 budget projects increases in both spending and revenues of approximately 4%, resulting in a projected surplus of \$25.9 million. This past year ended with a surplus of \$40.8 million. The current net debt-to-GDP ratio of 36.6% is budgeted to drop to 35.9% in 2017-2018.

Personal tax measures

The budget proposes to increase the Basic Personal Amount, the Spousal Amount and the Eligible Dependant Amount by \$3,000 for taxpayers with taxable income under \$25,000. This is the first increase since 2011. Taxpayers with taxable income between \$25,000 and \$75,000 will receive a partial benefit. Taxpayers with taxable income of \$75,000 or greater will not receive any benefit from the enhanced amounts. The measure is effective January 1, 2018.

The budget proposes a similar measure for the Age Amount, increasing it from \$4,141 to \$5,606 for taxpayers with taxable income under \$25,000. Once again, this is the first increase in the Age Amount since 2011. Taxpayers with taxable income between \$25,000 and \$75,000 will receive a partial benefit. Taxpayers with taxable income of \$75,000 or greater will not receive any benefit from the enhanced Age Amount. The measure is also effective January 1, 2018.

Business tax measures

Effective January 1, 2017, the budget proposes to increase the Small Business Deduction limit from \$350,000 to \$500,000 to bring it in line with the federal limit and the limits of all of other provinces except for Manitoba (\$450,000). This means that the first \$500,000 of active business income earned by a Canadian-controlled private corporation in Nova Scotia will be subject to a combined federal/provincial tax rate of 13.5%. As in the past, the Small Business Deduction limit must be shared by an associated group of companies.

Other measures

There were no other major tax measures in this budget.

For further details, we refer you to the [Ministry of Finance website](#).

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