



Canadian tax alert

2018-2019 Nova Scotia budget highlights

March 20, 2018

The Minister of Finance, Karen Casey, presented the 2018-2019 Nova Scotia budget, “Stronger Services and Supports”.

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

Fiscal/economic outlook

The 2018-2019 budget projects increases in both spending and revenue from the prior year forecast of 1.75% and 0.65%, respectively, resulting in a projected surplus of \$29.4 million. The 2017-2018 forecasted net debt-to-GDP rate of 34.9% is budgeted to decrease to 34.2% for 2018-2019.

In preparation for the legalization of cannabis, the province agreed in principle to enter into a cannabis tax framework with the federal government which will involve the collection of duties on behalf of the province. It is estimated that these duties will generate \$10.4 million in revenues in the 2018-2019 fiscal year.

Personal tax measures

Effective for the 2018 taxation year, the basic personal amount, the spousal amount, and the eligible dependant amount will increase from \$8,481 to \$11,481 for taxpayers whose taxable income is less than \$25,000. Taxpayers with taxable income between \$25,000 and \$75,000 will receive a reduced benefit. Taxpayers with taxable income of \$75,000 or greater will not receive any benefit from the enhanced amounts.

A similar measure for the age amount will also be effective for the 2018 taxation year. The age amount will increase from \$4,141 to \$5,606 for taxpayers whose taxable income is less than \$25,000 and will be phased out between taxable incomes of \$25,000 and \$75,000. Taxpayers whose taxable income is \$75,000 or greater will not receive any benefit from the enhanced age amount.

The eligible medical expense maximum of \$10,000 that can be claimed for a financially dependent relative has been removed.

Business tax measures

This budget does not include any tax rate changes for businesses.

Other measures

Innovation Equity Tax Credit

Effective January 1, 2019, a new Innovation Equity Tax Credit will be introduced that will replace the current Equity Tax Credit which will be phased out.

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

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