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Tax Alert – Canada

New Brunswick budget 2024-25

EY Tax Alerts cover significant tax news, developments and changes in legislation that affect Canadian businesses. They act as technical summaries to keep you on top of the latest tax issues. For more information, please contact your EY advisor or EY Law advisor.

“Mr. Speaker, while there are many challenges before us, we are now dealing with the challenges that come from growth. Over the last five years, our population has increased by more than 64,000. By comparison, it took the previous 37 years to achieve this level of population growth.”

“Today’s budget continues to invest significantly in New Brunswickers’ priorities. We are seeing major increases in health care, social development, education and early childhood development, housing, and clean energy.”

*New Brunswick Minister of Finance and Treasury Board Ernie Steeves
2024-25 budget speech*

On 19 March 2024, New Brunswick Minister of Finance and Treasury Board Ernie Steeves tabled the province’s fiscal 2024-25 budget. The budget includes targeted tax measures affecting individuals but contains no income tax increases.

The minister anticipates a surplus of \$41 million for 2024-25 and projects surpluses for each of the next two years.

Following is a brief summary of the key tax measures.

Business tax measures

Corporate income tax rates

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

New Brunswick’s 2024 corporate income tax rates are summarized in Table A.

Table A - 2024 New Brunswick corporate income tax rates¹

	NB	Federal and NB combined
Small-business tax rate ²	2.50%	11.50%
General corporate tax rate ^{2, 3}	14.00%	29.00%

¹ The rates represent calendar-year-end rates unless otherwise indicated.
² The federal corporate income tax rates for manufacturers of qualifying zero-emission technology are reduced to 7.5% for eligible income otherwise subject to the 15% federal general corporate income tax rate or 4.5% for eligible income otherwise subject to the 9% federal small-business corporate income tax rate. These reductions are not reflected in the combined federal and New Brunswick rates above.
³ An additional federal tax applies to banks and life insurers at a rate of 1.5% on taxable income (subject to a \$100 million exemption to be shared by group members).

Personal tax

Personal income tax rates

The budget does not include any changes to personal income tax rates.

The 2024 New Brunswick personal income tax rates are summarized in Table B.

Table B - 2024 New Brunswick personal income tax rates

First bracket rate ¹	Second bracket rate	Third bracket rate	Fourth bracket rate
\$0 to \$49,958	\$49,959 to \$99,916	\$99,917 to \$185,064	Above \$185,064
9.40%	14.00%	16.00%	19.50%

¹ Individuals resident in New Brunswick on 31 December 2024 with taxable income up to \$21,342 pay no provincial income tax as a result of a low-income tax reduction. The low-income tax reduction is clawed back for income in excess of \$21,342 until the reduction is eliminated, resulting in an additional 3% of provincial tax on income between \$21,343 and \$47,343.

For taxable income in excess of \$173,205, the 2024 combined federal-New Brunswick personal income tax rates are outlined in Table C.

Table C - Combined 2024 federal and New Brunswick personal income tax rates

Bracket	Ordinary income ¹	Eligible dividends	Non-eligible dividends
\$173,206 to \$185,064 ²	45.32%	22.49%	38.57%
\$185,065 to \$246,752 ²	48.82%	27.32%	42.59%
Above \$246,752	52.50%	32.40%	46.83%

¹ The rate on capital gains is one-half the ordinary income tax rate.

² The federal basic personal amount comprises two elements: the base amount (\$14,156 for 2024) and an additional amount (\$1,549 for 2024). The additional amount is reduced for individuals with net income in excess of \$173,205 and is fully eliminated for individuals with net income in excess of \$246,752. Consequently, the additional amount is clawed back on net income in excess of \$173,205 until the additional tax credit of \$232 is eliminated; this results in additional federal income tax (e.g., 0.32% on ordinary income) on net income between \$173,206 and \$246,752.

Other personal tax measures

This budget proposes changes to the following personal credits/amounts:

- ▶ Introduction of new non-refundable personal income tax credits for eligible volunteer firefighters and search and rescue volunteers, effective for the 2024 taxation year. The budget did not provide any further details on these new credits.
- ▶ A \$200 Low-Income Seniors' Affordability Supplement will be available for individuals eligible for the 2024 Low-Income Seniors' Benefit. Applications for the 2024 benefit will be available on 1 April 2024.
- ▶ Proposed legislation will be tabled to permanently increase the base amount of the Low-Income Seniors' Benefit from \$400 to \$600; the value of the benefit will be indexed to the Consumer Price Index annually, beginning with the 2025 benefit year.

Other tax measures

Tax on vaping products

The budget confirms the government's intention to join the federally coordinated vaping product taxation framework in 2024-25. Under the agreement, the Canada Revenue Agency will be responsible for administering and collecting the vaping duty, effective 1 January 2025.

In addition, a provincial excise duty rate of \$1 per 2 millilitres or grams (ml(g)), or fraction thereof, for the first 10 ml(g) of vaping substance and \$1 per 10 ml(g), or fraction thereof, for additional volumes will apply.

Learn more

For more information, please contact your EY or EY Law advisor or one of the following professionals:

Pauline Vautour

+1 506 388 7724 | pauline.vautour@ca.ey.com

Marc Léger

+1 506 388 7746 | marc.d.leger@ca.ey.com

Natacha Poirier

+1 506 388 7719 | natacha.poirier@ca.ey.com

Troy Stanley

+1 709 570 8290 | troy.a.stanley@ca.ey.com

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