

## New Brunswick

### Combined federal and provincial personal income tax rates - 2021<sup>1</sup>

Taxable income			New Brunswick				
Lower limit	Upper limit		Basic tax <sup>2</sup>	Rate on excess	Marginal rate on		
					Eligible dividend income <sup>3</sup>	Other dividend income <sup>3</sup>	Capital gains <sup>4</sup>
\$ -	to	\$ 13,808	\$ -	0.00%	0.00%	0.00%	0.00%
13,809	to	17,638	-	15.00%	0.00%	6.87%	7.50%
17,639	to	40,464 <sup>5</sup>	575	27.68%	0.00%	18.28%	13.84%
40,465	to	43,835	6,893	24.68%	0.00%	14.83%	12.34%
43,836	to	49,020	7,725	29.82%	1.13%	20.75%	14.91%
49,021	to	87,671	9,271	35.32%	8.69%	27.07%	17.66%
87,672	to	98,040	22,922	37.02%	11.04%	29.03%	18.51%
98,041	to	142,534	26,761	42.52%	18.63%	35.35%	21.26%
142,535	to	151,978	45,680	43.84%	20.45%	36.87%	21.92%
151,979	to	162,383 <sup>6</sup>	49,820	47.16%	25.03%	40.69%	23.58%
162,384	to	216,511 <sup>6</sup>	54,727	49.62%	28.43%	43.52%	24.81%
216,512	and up		81,587	53.30%	33.51%	47.75%	26.65%

1. The tax rates reflect budget proposals and news releases to January 15, 2021. Where the tax is determined under the alternative minimum tax provisions (AMT), the above table is not applicable. AMT may be applicable where the tax otherwise payable is less than the tax determined by applying the relevant AMT rate to the individual's taxable income adjusted for certain preference items.
2. The tax determined by the table should be reduced by the applicable federal and provincial tax credits (see chart below), other than the basic personal tax credits, which have been reflected in the calculations (see Note 6 below).
3. The rates apply to the actual amount of taxable dividends received from taxable Canadian corporations. Eligible dividends are those paid by public corporations and private companies out of earnings that have been taxed at the general corporate tax rate (the dividend must be designated by the payor corporation as an eligible dividend). Where the dividend tax credit exceeds the federal and provincial tax otherwise payable on the dividends, the rates do not reflect the value of the excess credit that may be used to offset taxes payable from other sources of income. This assumption is consistent with prior year rates.
4. The rates apply to the actual amount of the capital gain. The capital gains exemption on qualified farm and fishing property and small business corporation shares may apply to eliminate the tax on those specific properties.
5. Individuals resident in New Brunswick on December 31, 2021 with taxable income up to \$17,638 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 \$17,638 until the reduction is eliminated, resulting in an additional 3% of provincial tax on income between \$17,639 and \$40,464.
6. The federal basic personal amount comprises two elements: the base amount (\$12,421 for 2021) and an additional amount (\$1,387 for 2021). The additional amount is reduced for individuals with net income in excess of \$151,978 and is fully eliminated for individuals with net income in excess of \$216,511. Consequently, the additional amount is clawed back on net income in excess of \$151,978 until the additional tax credit of \$208 is eliminated; this results in additional federal income tax (e.g., 0.32% on ordinary income) on net income between \$151,979 and \$216,511.

A chart of the most common non-refundable tax credits is available on the next page

## New Brunswick

### Federal and provincial personal tax credits - 2021<sup>1</sup>

	Federal credit	Provincial credit
Amount of credits:		
Basic personal credit (see notes 2 and 6 above) <sup>2,3</sup>	\$ 1,863	\$ 1,023
Spousal credit (reduced when spouse's income over \$0 (federal) and \$898 (provincial)) <sup>2,3</sup>	1,863	868
Equivalent-to-spouse credit (reduced when dependant's income over \$0 (federal) and \$898 (provincial)) <sup>2,3</sup>	1,863	868
Infirm dependant aged 18 or over (reduced when dependant's income over \$7,078 (provincial))	-	483
Caregiver credit (reduced when the particular person's income exceeds \$17,256 (federal) and \$17,038 (provincial))	1,102	483
Age credit (65 and over) <sup>4</sup>	1,157	499
Disability credit	1,299	828
Pension income (maximum)	300	97
Canada employment credit	189	-
Credits as a percentage of:		
Tuition fees	15.00%	9.68%
Medical expenses <sup>5</sup>	15.00%	9.68%
Charitable donations		
- First \$200	15.00%	9.68%
- Remainder <sup>6</sup>	29% / 33%	17.95%
CPP contributions <sup>7</sup>	15.00%	9.68%
EI premiums	15.00%	9.68%

1. This table lists the most common non-refundable tax credits; other non-refundable and refundable credits may be available.
2. The federal tax value of the basic personal credit, the spousal credit and the equivalent-to-spouse credit represents the amount available to taxpayers in the highest tax bracket. An additional amount may be available for individuals with net income below \$216,511 (see Note 6 to the chart above).
3. A federal caregiver tax credit of \$344 may be available in respect of a spouse, dependant or child who is dependent on the individual by reason of mental or physical infirmity.
4. The maximum federal age credit \$1,157 occurs at \$38,893 of net income and declines to nil as net income rises to \$90,313. The maximum provincial age credit of \$499 occurs at \$38,400 of net income and declines to nil as net income rises to \$72,787.
5. The federal credit applies to eligible medical expenses that exceed the lesser of \$2,421 and 3% of net income. The provincial credit applies to eligible medical expenses that exceed the lesser of \$2,390 and 3% of net income.
6. The federal tax credit rate of 33% applies to charitable donations in excess of \$200 to the extent the individual has taxable income in excess of \$216,511; otherwise, a federal tax credit rate of 29% applies.
7. One-half of CPP paid by self-employed individuals is deductible in computing taxable income.