

## Nova Scotia

### Combined federal and provincial personal income tax rates - 2023<sup>1</sup>

Taxable income			Nova Scotia				
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	\$ 11,894	-	0.00%	0.00%	0.00%	0.00%
11,895	to	15,000	-	8.79%	0.00%	6.67%	4.40%
15,001	to	21,000 <sup>5</sup>	273	28.79%	6.82%	19.28%	14.40%
21,001	to	29,590	2,000	23.79%	0.00%	13.53%	11.90%
29,591	to	53,359	4,044	29.95%	8.42%	20.62%	14.98%
53,360	to	59,180	11,163	35.45%	15.98%	26.94%	17.73%
59,181	to	93,000	13,226	37.17%	18.35%	28.92%	18.59%
93,001	to	106,717	25,797	38.00%	19.50%	29.87%	19.00%
106,718	to	150,000	31,010	43.50%	27.09%	36.20%	21.75%
150,001	to	165,430	49,838	47.00%	31.92%	40.22%	23.50%
165,431	to	235,675 <sup>6</sup>	57,090	50.32%	36.50%	44.04%	25.16%
235,676	and up		92,434	54.00%	41.58%	48.27%	27.00%

1. The tax rates reflect budget proposals and news releases to January 15, 2023. 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 Nova Scotia on December 31, 2023 with taxable income up to \$11,894, 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 \$15,000 until the reduction is eliminated, resulting in an additional 5% of provincial tax on income between \$15,001 and \$21,000.
6. The federal basic personal amount comprises two elements: the base amount (\$13,521 for 2023) and an additional amount (\$1,479 for 2023). The additional amount is reduced for individuals with net income in excess of \$165,430 and is fully eliminated for individuals with net income in excess of \$235,675. Consequently, the additional amount is clawed back on net income in excess of \$165,430 until the additional tax credit of \$222 is eliminated; this results in additional federal income tax (e.g., 0.32% on ordinary income) on net income between \$165,431 and \$235,675.

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

## Nova Scotia

### Federal and provincial personal tax credits - 2023<sup>1</sup>

	Federal credit	Provincial credit
Amount of credits:		
Basic personal credit (see notes 2 and 6 above) <sup>2,3</sup>	\$ 2,028	\$ 745
Spousal credit (reduced when spouse's income over \$0 (federal) and \$848 (provincial)) <sup>2,3</sup>	2,028	745
Equivalent-to-spouse credit (reduced when dependant's income over \$0 (federal) and \$848 (provincial)) <sup>2,3</sup>	2,028	745
Infirm dependant aged 18 or over (reduced when dependant's income over \$5,683 (provincial))	-	245
Caregiver credit (reduced when the particular person's income exceeds \$18,783 (federal) and \$13,677 (provincial))	1,200	431
Age credit (65 and over) <sup>4</sup>	1,259	364
Disability credit <sup>5</sup>	1,414	645
Pension income (maximum)	300	103
Education - per month	-	18
Canada employment credit	205	-
Child fitness and arts credits <sup>6</sup>	-	44
Credits as a percentage of:		
Tuition fees	15.00%	8.79%
Medical expenses <sup>7</sup>	15.00%	8.79%
Charitable donations		
- First \$200	15.00%	8.79%
- Remainder <sup>8</sup>	29% / 33%	21.00%
CPP contributions <sup>9</sup>	15.00%	8.79%
EI premiums	15.00%	8.79%

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 \$235,675 (see Note 6 to the chart above). An enhanced provincial basic personal credit, spousal credit and equivalent-to-spouse credit may be available for individuals with taxable income under \$75,000, providing an additional tax credit of up to \$264, reduced for taxable income over \$25,000 and eliminated when taxable income reaches \$75,000.
3. A federal caregiver tax credit of \$375 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 of \$1,259 occurs at \$42,335 of net income and declines to nil as net income rises to \$98,309. The maximum provincial age credit of \$364 occurs at \$30,828 of net income and declines to nil as net income rises to \$58,435. Also, an enhanced provincial age credit is available for individuals with taxable income under \$25,000, resulting in a tax credit of \$129. The enhanced tax credit is gradually reduced and eliminated when taxable income reaches \$75,000.
5. A federal supplement of \$825 is available for an individual who is under 18 years of age, reduced by the total child care and attendant care expenses claimed for the individual in excess of \$3,221. A provincial supplement of \$303 is available for an individual who is under 18 years of age, reduced for the total child care and attendant care expenses claimed for the individual in excess of \$2,346.
6. Effective for 2022 and subsequent years, the provincial children's sports and arts refundable tax credit may be available for eligible expenses paid in respect of a child under 19 years of age.
7. The federal credit applies to eligible medical expenses that exceed the lesser of \$2,635 and 3% of net income. The provincial credit applies to eligible medical expenses that exceed the lesser of \$1,637 and 3% of net income.
8. 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 \$235,675; otherwise, a federal tax credit rate of 29% applies.
9. One-half of CPP paid by self-employed individuals is deductible in computing taxable income.