



## TAX HIGHLIGHTS FROM THE 2019 SASKATCHEWAN BUDGET

Finance Minister Donna Harpauer tabled the 2019 Saskatchewan provincial budget on March 20, 2019. The budget projects a surplus of \$34.4 million for the 2019–2020 fiscal year, with surpluses of \$49 million, \$72 million and \$84 million projected for the following three fiscal years.

On the income tax side, there were no increases or decreases to personal or corporate income tax rates for 2019.

The following pages are a summary of the changes announced in the budget. Please note that these changes are still proposals until passed into law by the provincial government.

## PERSONAL TAX MATTERS

### Personal income tax rates and tax brackets

The 2019 budget leaves personal income tax rates unchanged from 2018. The table below shows Saskatchewan tax rates and brackets for 2019.

Taxable income range	2019 tax rates
First \$45,225	10.5%
\$45,226 – \$129,214	12.5%
\$129,215 and over	14.5%

The table below shows the 2019 combined federal and provincial highest marginal tax rates for various types of income.

Type of income	2019 combined tax rates
Regular income	47.50%
Capital gains	23.75%
Eligible dividends	29.64%
Non-eligible dividends	40.37%

### Volunteer emergency responders tax credit

The budget proposes new non-refundable tax credits beginning in the 2020 tax year for volunteer firefighters and volunteer emergency medical first responders. A \$3,000 non-refundable tax credit will be available to qualifying individuals performing at least 200 hours of eligible volunteer services in a year.

Individuals combining volunteer firefighting and volunteer first-responder services will be able to claim only one of the new tax credits. Individuals who provide these services as a regular employee of an organization will not be eligible for the credits.

# CORPORATE TAX MATTERS

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## Corporate income tax rates

There were no changes proposed to corporate income tax rates. The table below shows Saskatchewan tax rates and the small business limit for 2019.

Category	2019 tax rates
General rate	12%
Manufacturing and processing rate	10%
Investment income rate	12%
Small business rate	2%
Small business limit	\$600,000

The table below shows the 2019 combined federal and provincial corporate income tax rates for various types of income earned by a Canadian-controlled private corporation (CCPC).

Type of income	2019 combined tax rates
Small business income	11.0%
Active income over \$500,000 / \$600,000	17.0% / 27.0%
Manufacturing and processing income	25.0%
Investment income	50.7%

## Potash Production Tax

The budget proposes that effective April 1, 2019, Crown and freehold royalties will no longer be deductible in calculating the Potash Production Tax, and the Saskatchewan Resource Credit is eliminated for potash production.



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