



HIGHLIGHTS FROM THE NEW BRUNSWICK BUDGET

Finance Minister Ernie Steeves tabled the 2021-2022 New Brunswick provincial budget on March 16, 2021.

The budget projects a deficit of \$244.8 million for the upcoming 2021-2022 fiscal year and an increase in net debt of \$241 million to reach \$14.1 billion by end of March 2022. The forecast deficit for the almost completed 2020-2021 fiscal year now stands at \$12.7 million, compared to a projected surplus of \$92.4 million.

On the income tax side, there were no increases or decreases to personal or corporate income tax rates for 2021.

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

PERSONAL TAX MATTERS

Personal Income Tax Rates and Tax Brackets

The 2021-2022 budget leaves personal income tax rates unchanged from 2020. Tax brackets and other amounts have been indexed by 1.01% to recognize the impact of inflation. The table below shows New Brunswick tax rates and brackets for 2021.

TAXABLE INCOME RANGE	2021 TAX RATES
First \$43,835	9.68%
\$43,836 – \$87,671	14.82%
\$87,672 – \$142,534	16.52%
\$142,535 – \$162,383	17.84%
Over \$162,383	20.30%

The table below shows the 2021 combined federal and provincial highest marginal tax rates for various types of income.

TYPE OF INCOME	2021 COMBINED TAX RATES
Regular income	53.3%
Capital gains	26.65%
Eligible dividends	33.51%
Non-eligible dividends	47.75%

CORPORATE TAX MATTERS

Corporate Income Tax Rates

There were no changes proposed to corporate income tax rates. The table below shows New Brunswick tax rates and the small business limit for 2021.

CATEGORY	2021 TAX RATES
General rate	14%
Manufacturing and processing rate	14%
Investment income rate	14%
Small business rate	2.5%
Small business limit	\$500,000

The table below shows the 2021 combined federal and provincial corporate income tax rates for various types of income earned by a Canadian Controlled Private Corporation (CCPC).

TYPE OF INCOME	2021 COMBINED TAX RATES
Small business income	11.5%
Active income over \$500,000	29%
Manufacturing and processing income	29%
Investment income	52.7%

OTHER INITIATIVES

Carbon Tax

Effective April 1, the province will increase its tax on carbon emitting products from \$30 per tonne to \$40 per tonne as required by the federal backstop. This will result in a carbon tax increase of 2.21¢ per litre for gasoline and 2.68¢ per litre for diesel.

Explore NB Travel Incentive

To provide continued support to the tourism industry, the budget proposes to renew the Explore NB Travel Incentive program that offered New Brunswickers a 20% rebate on travel expenses within the province again this year.

WE CAN HELP

Your Assante advisor can help you assess the impact of these proposals on your personal finances or business affairs and show you ways to take advantage of their benefits or ease their impact. The resources available to you and your advisor include CI Assante Private Client's Wealth Planning Group, a multi-disciplinary team of accountants, lawyers and financial planners.

For more information, we encourage you to speak to your advisor and visit [ci.com](https://www.ci.com)

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