

Charting a Path for Growth

Nova Scotia Tax and Regulatory Review

Current Revenues and Taxes in Nova Scotia

In 2013-14, the province took in just over \$10 billion.

Where it comes from

- \$6.6 billion, or 66%, from provincial sources
 - Personal income tax: \$2.1 billion annually
 - Corporate tax: \$430 million annually
 - Sales tax: \$2.1 billion (HST \$1.7 billion)
- \$3.4 billion, or 34%, from Ottawa
 - Equalization (\$1.7 billion)
 - Other transfers, including health, post-secondary education, and social services (\$1.67 billion)
 - Transfers are decreasing

Personal income tax (PIT)

- Brackets:
 1. Up to \$29,590: 8.79%
 2. \$29,591 to \$59,180: 14.95%
 3. \$59,181 to \$93,000: 16.67%
 4. \$93,001 to \$150,000: 17.5%
 5. Over \$150,001: 21%
- Basic Personal Amount: \$8,481
- Second lowest exemption in Canada

Corporate income taxes (CIT)

- General corporate rate: 16%
- Small business rate: 3% on earnings up to \$350,000

Harmonized sales tax (HST)

- 15% (5% federal + 10% provincial)
- Highest sales tax in Canada
- Point-of-sale rebates: printed books; children's clothing, shoes, and diapers; feminine hygiene products; and residential energy, notably heat
- GST rebates: residential property; residential rents; publicly insured medical services; medical devices; publicly provided homemaker services; most educational programs; professional accreditation; tutoring; school cafeteria meals; supervision of children and disabled people; legal aid; supplies made by charities and not-for-profit organizations; and many government-provided goods and services
- Zero-rated: basic groceries; commercial agricultural and fishing supplies; prescription drugs; exports; and some financial and transportation services

Motive fuel tax (offsets highway construction and maintenance)

- 15.5 cents/litre (gasoline)
- 15.4 cents/litre (diesel)
- 7 cents/litre (propane)
- 2.5 and 1.1 cents/litre (aviation and marine fuel)
- Exempt: resource-based industrial uses; rail and commercial sea transport; and manufacturing

Tobacco tax

- 23 cents/cigarette

Where it goes

Program costs

- Health care (40%)
- Education (13%)
- Community services (10%)
- Interest on debt (8%)
- Labour and advanced education, including payments to universities and colleges (7%)
- Transportation and infrastructure (4%)
- Everything else (18%)

Key expenses within departmental budgets

- Salaries and benefits for doctors, nurses, teachers, and other public servants (37%)
- Grants to municipalities; support for those on income assistance and in long-term care (33%)
- Goods and services for government operations (15%)
- Interest on debt (8%)
- Professional fees (3%)