

More than just Nova Scotia tax rates

It's important to know your tax rates, but it's what you do with this information that really counts. The experienced advisors at Grant Thornton LLP will help you strategically navigate today's tax issues, plan for tomorrow, and achieve your greatest potential. Let's create the roadmap to your goals.

2022 NS rate card: Combined federal and provincial personal income tax rates*						
Taxable income	Taxes payable on salary / interest income	Effective tax rate	Marginal tax rate on incremental income			
			Salary / Interest income	Capital gains	Eligible dividends	Non eligible dividends
20,000	1,853.0	9.26%	23.79%	11.90%	0.00%	13.54%
30,000	4,257.0	14.19%	29.95%	14.97%	8.39%	20.62%
40,000	7,252.0	18.13%	29.95%	14.97%	8.39%	20.62%
50,000	10,247.0	20.49%	29.95%	14.97%	8.39%	20.62%
60,000	13,795.0	22.99%	37.17%	18.59%	18.35%	28.92%
70,000	17,512.0	25.02%	37.17%	18.59%	18.35%	28.92%
80,000	21,229.0	26.54%	37.17%	18.59%	18.35%	28.92%
90,000	24,946.0	27.72%	37.17%	18.59%	18.35%	28.92%
100,000	28,721.0	28.72%	38.00%	19.00%	19.50%	29.88%
110,000	33,050.0	30.05%	43.50%	21.75%	27.09%	36.20%
120,000	37,400.0	31.17%	43.50%	21.75%	27.09%	36.20%
150,000	50,450.0	33.63%	47.00%	23.50%	31.92%	40.23%
175,000	62,855.0	35.92%	50.38%	25.19%	36.58%	44.11%
200,000	75,450.0	37.72%	50.38%	25.19%	36.58%	44.11%
221,709	86,387.0	38.96%	54.00%	27.00%	41.58%	48.28%
300,000	128,664.0	42.89%	54.00%	27.00%	41.58%	48.28%
400,000	182,664.0	45.67%	54.00%	27.00%	41.58%	48.28%
500,000	236,664.0	47.33%	54.00%	27.00%	41.58%	48.28%

***Note:** These rates take into account the basic personal tax credits only and do not include the impact of alternative minimum tax. Mixed income sources will change the effective rates. Calculations are based on rate changes up to November 2, 2021. Rates are subject to change.

2022 Federal personal tax credits

Basic*	\$14,398
Spouse*	\$14,398
Age	\$7,898
Disability	\$8,870
Pension	\$2,000

2022 OAS repayment income threshold

Clawback at 15% in excess of	\$81,761
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CPP

Rate (employee/ employer) ¹	5.70%
Max. contribution	\$3,499.80
Max. pensionable earnings	\$64,900
Basic exemption	\$3,500

EI

Employee rate	1.58%
Max. employee premium	\$952.74
Max. insurable earnings	\$60,300

Note 1: 4.95% contribution will be allowed as a non-refundable tax credit and 0.75% additional contribution will be allowed as a deduction from income on the tax return.

Nova Scotia - Integration for 2022 calendar year¹

Individuals		
	Tax rates ^{2,3}	Reference
Other income	54.00	A
Capital gains	27.00	B
Eligible dividends (actual amount)	41.58	C
Ineligible dividends (actual amount)	48.28	D

NS Corporation income tax rates for CCPCs ⁷ :		
	Tax rates ^{2,3}	Reference
ABI		
up to \$500,000	11.50	
over \$500,000	29.00	
Investment income	52.67	

Corporations - Active business income		
Eligible for the Small Business Deduction (SBD)	Tax rates ³	Reference
Initial corporate tax	11.50	E
Tax on distribution (ineligible dividend)	42.73	
Combined tax	54.23	F
Deferral	42.50	A-E
Savings/(Cost) ⁴	(0.23)	A-F
General income not eligible for SBD or M&P deduction		
Initial corporate tax	29.00	G
Tax on distribution (eligible dividend)	29.52	
Combined tax	58.52	H
Deferral	25.00	A-G
Savings/(cost) ⁴	(4.52)	A-H

Canadian controlled private corporations - Canadian investment income ⁵		
Interest income eligible for refundable part I tax	Tax rates ³	Reference
Initial corporate tax	52.67	I
Net of NERDTOH refund	22.00	
Tax on distribution (ineligible dividend)	37.66	
Combined tax	59.66	J
Deferral (prepayment)	1.33	A-I
Savings/(cost) ⁴	(5.66)	A-J
Capital gains eligible for refundable part I tax		
Initial corporate tax	26.34	K
Net of NERDTOH refund	11.00	
Tax on distribution (ineligible dividend) ⁶	18.83	
Combined tax	29.83	L
Deferral (prepayment)	0.67	B-K
Savings/(cost) ⁴	(2.83)	B-L
Dividend income subject to part IV tax		
Initial corporate tax	38.33	M
Net of Part IV tax refund	0.00	
Tax on distribution (ineligible dividend)	48.28	
Combined tax	48.28	N
Deferral (prepayment)	9.95	D-M
Savings/(cost) ⁴	0.00	D-N

Notes and assumptions:

- 1 All calculations are based on rate changes announced up to Nov 2, 2021.
- 2 All calculations are based on the top marginal federal-provincial personal tax rate.
- 3 Tax rates are expressed as a percentage.
- 4 This represents the tax savings/(costs) of distributing the after-tax corporate income as dividends as opposed to a salary/bonus.
- 5 This table assumes dividends can be paid fully to recover non-eligible or eligible RDTOH.
- 6 It is assumed that the non-taxable portion of the capital gain is distributed as a tax-free capital dividend.
- 7 Corporate tax rates do not factor in rules that grind the business limit or other rules that might impact the effective tax rate in a province. Please consider other items that may affect corporate tax rates in any given situation



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