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2019 Budgets and How They May Affect You Personally

The 2019 Budget season is drawing to a close with only Alberta and Prince Edward Island not having presented theirs. Major tax changes were minimal, however there were adjustments made to existing tax credits as well some new tax credits were created. Below are the highlights of the various budgets.

Federal Budget Personal Tax Measures

On March 19, 2019, the Minister of Finance, Bill Morneau, presented the federal Budget for 2019-2020. The following are a few of the more notable business tax items:

- The Budget introduced a new refundable Canada Training Credit, which will refund up to 50% of a taxpayer's eligible tuition costs, subject to a notional limit that accumulates at a rate of \$250 per year.
- The home buyers' plan ("HBP") is augmented through an increase in the withdrawal limit from \$25,000 to \$35,000 annually per taxpayer. As well, the HBP is extended to individuals who become separated during the year and have lived separately for 90 days during the year, provided they do not continue to reside in a home owned and occupied by a new spouse or common-law partner.
- A taxpayer who owns a multi-unit residential property will be able to elect to not have the deemed disposition rules apply to a change in use.
- Certain registered plans will be allowed to invest in advanced life deferred annuities and variable payment life annuities.
- Budget 2019 proposes to remove the time limitation on the period that an RDSP may remain open after a beneficiary becomes ineligible for the DTC, and to eliminate the need in future years for a medical certification for the beneficiary to remain eligible for the DTC.
- Budget 2019 proposes to amend the Income Tax Act to clarify that an individual is considered to be the parent of a child in their care for the purpose of the Canada Workers Benefit, regardless of whether they receive financial assistance from a government under a kinship care program.
- Medical cannabis products sold by a licensed cannabis retailer for medical purposes will qualify for the medical expense tax credit.
- Budget 2019 prohibits a strategy where an employee commutes their employer-sponsored pension to an IPP sponsored by the employee's own CCPC.

- The Budget proposes that a TFSA holder will be joint and severally liable for tax owing from carrying on a business in their TFSA.

Newfoundland and Labrador Budget Highlights

On April 16, 2019 Newfoundland and Labrador's Minister of Finance and President of the Treasury Board Tom Osborne, presented the Budget for 2019. The following are a few of the tax highlights:

- The Government, which has already eliminated the Temporary Gas Tax, marks the end of the Temporary Deficit Reduction Levy this year, effective December 31, 2019.
- Last year, the Government began to gradually decrease the tax on automobile insurance; this year the remaining retail sales tax on automobile insurance premiums is eliminated in its entirety.
- There are no tax or fee changes for 2019.

Nova Scotia Budget Highlights

Nova Scotia's Finance and Treasury Board Minister Karen Casey presented the province's 2019-2020 Budget on March 26, 2019. The following are a few of the tax highlights:

- A Venture Capital Tax Credit will be introduced, effective April 1, 2019. It will provide a 15% non-refundable tax credit to both individuals and corporations who invest in an eligible venture capital corporation or fund.
- Budget 2019 announced that Nova Scotia will match November 2018 federal tax changes which provide accelerated capital cost allowances.
- There were no income tax rate changes announced.

New Brunswick Budget Highlights

The 2019-2020 New Brunswick Budget ("Budget 2019") was presented on March 19, 2019 by New Brunswick Finance Minister Ernie Steeves. The following are a few of the highlights:

- New Brunswick will re-introduce the provincial tuition tax credit, which was eliminated in 2017. According to Budget 2019, individuals will be able to claim this personal income tax credit when they file their annual tax return in 2020.

- There were no income tax rate changes announced.

Quebec Budget Highlights

Quebec's Minister of Finance Eric Girard presented the province's 2019-2020 Budget on March 21, 2019. Below are a few of the more notable tax measures:

- The tax credit for experienced workers will be renamed the tax credit for career extension. Also, to encourage more experienced workers to remain longer in or to re-enter the labour market, changes will also be made to the tax credit to lower the age of eligibility and increase the maximum amount of eligible work income for some of the age groups, as of the 2019 taxation year.
- There were no income tax rate changes announced for individuals.

Ontario Budget Highlights

On April 11, 2019, the Ontario Finance Minister, Victor Fedeli tabled the 2019 Ontario Budget. Notable tax measures in the Budget include the following:

- A new refundable Childcare Access and Relief from Expenses ("CARE") tax credit will be introduced, which will provide tax relief on a percentage of child care expenses that are eligible for the child care deduction, up to a dollar limit.
- There will be a new non-refundable Low-income Individuals and Families Tax ("LIFT") credit which is equal to the lesser of \$850 and 5.05% of employment income (subject to a phase-out as income exceeds \$30,000).
- There will be paralleling of the federal CCA measures from the 2018 Fall Economic Statement.
- The probate fees on small estates (\$50,000 or less) will be eliminated, and the deadline to file the estate administration tax information returns will be extended.
- There were no income tax rate changes announced for individuals.

Manitoba Budget Highlights

Manitoba's 2019 Budget was presented on March 7, 2019, by Finance Minister Scott Fielding. There were no significant income tax changes.

Saskatchewan Budget Highlights

Saskatchewan's 2019–20 Budget was presented on March 20, 2019 by Finance Minister Donna Harpauer. Below is a summary of the only notable tax measures:

- Saskatchewan will introduce two new non-refundable tax credits, one for volunteer firefighters and one for volunteer emergency medical first responders, effective for 2020 and subsequent taxation years.
- Individuals who receive honoraria for their volunteer emergency service duties may choose to claim either the existing \$1,000 income exemption or one of the new tax credits.
- There were no income tax rate changes.

British Columbia Highlights

On February 19, 2019, British Columbia Finance Minister Carole James presented the 2019 Budget. The following are the more notable tax measures:

- Effective October 1, 2020, the new refundable B.C. Child Opportunity Benefit for families with children under the age of 18 will replace the early childhood tax benefit.
- Effective July 1, 2019, the maximum annual climate action tax credit is increased to \$154.50 per adult and to \$45.50 per child. Increases for 2020 and 2021 were also announced.
- The training tax credits are extended for one year to the end of 2019.
- The farmers' food donation tax credit is extended for one year to the end of 2020.
- As announced on January 28, 2019, the mining flow-through share tax credit is made permanent, effective January 1, 2019.
- Effective for 2015 and subsequent tax years, the pension tax credit is expanded to apply in respect of certain retirement income security benefits paid to veterans.
- Effective for 2018 and subsequent tax years, the disability tax credit can be applied in calculating the tax on split income.
- Effective for 2018 and subsequent tax years, split income can be included in the income threshold for calculating the medical expense tax credit.

- Budget 2019 introduces several changes to modernize and enhance the small business venture capital tax credit program.
- There were no income rate changes announced for individuals.

Northwest Territories Budget Highlights

Robert C. McLeod, Minister of Finance for the Northwest Territories, presented the 2019–2020 Budget on February 6, 2019. This is the final Budget of the NWT's 18th Legislative Assembly. Below are the highlights:

- As previously announced, the NWT will participate in national carbon pricing with a carbon tax of \$20/tonne, starting July 1, 2019, on all petroleum and natural gas fuels except aviation fuel. The legislation to levy the carbon tax will be introduced in this Session.
- The Budget does not change any of the current income tax rates.

Nunavut Budget Highlights

Nunavut Finance Minister George Hickes presented the 2019–2020 Budget on February 20, 2019. Below are the highlights:

- The Federal government will impose its national carbon price "Backstop" on Nunavut on July 1, 2019. A charge of \$20 per tonne of CO₂e will be levied, though the government of Nunavut has negotiated exemptions for aviation and public electricity generation.
- The Budget does not change any of the current income tax rates.

Yukon Budget Highlights

Sandy Silver, the Premier of the Yukon and Minister of Finance, presented the 2019–2020 Budget on March 7, 2019. Below are the highlights:

- Starting on July 1, 2019, the federal carbon levy will be applied to fuels purchased in Yukon. Carbon dioxide emissions will initially be taxed at a rate of \$20 per tonne. This rate will increase on April 1 of each year until it reaches \$50 per tonne in April 2022.
- There were no income tax rate changes.