

Nova Scotia

Combined federal and provincial personal income tax rates – 2010¹

Taxable income		Nova Scotia				
Lower limit	Upper limit	Basic tax ²	Rate on excess	Marginal rate on		
				Eligible dividend income ³	Other dividend income ³	Capital gains ⁴
\$ -	to \$ 10,382	\$ -	0.00%	0.00%	0.00%	0.00%
10,383	to 11,644	-	15.00%	0.00%	2.08%	7.50%
11,645	to 15,000	189	23.79%	0.12%	3.44%	11.90%
15,001	to 21,000 ⁵	988	28.79%	7.32%	9.69%	14.40%
21,001	to 29,590	2,715	23.79%	0.12%	3.44%	11.90%
29,591	to 40,970	4,759	29.95%	8.99%	11.14%	14.98%
40,971	to 59,180	8,167	36.95%	14.78%	19.89%	18.48%
59,181	to 81,941	14,896	38.67%	17.26%	22.04%	19.34%
81,942	to 93,000	23,697	42.67%	23.02%	27.04%	21.34%
93,001	to 127,021	28,416	43.50%	24.22%	28.08%	21.75%
127,022	to 150,000	43,215	46.50%	28.54%	31.83%	23.25%
150,001	and up	53,900	50.00%	33.58%	36.21%	25.00%

- The tax rates reflect budget proposals and news releases to 15 December 2010. Where the tax is determined under the alternative minimum tax provisions (AMT), the above table is not applicable. AMT may be applicable where the tax otherwise payable is less than the tax determined by applying the relevant AMT rate to the individual's taxable income adjusted for certain preference items.
- The tax determined by the table should be reduced by the applicable federal and provincial tax credits (see chart below), other than the basic personal tax credits, which have been reflected in the calculations.
- The rates apply to the actual amount of taxable dividends received from taxable Canadian corporations. Eligible dividends are those paid by public corporations and private companies out of earnings that have been taxed at the general corporate tax rate (the dividend must be designated by the payor corporation as an eligible dividend).
- The rates apply to the actual amount of the capital gain. The capital gains exemption on qualified farm and fishing property and small business corporation shares may apply to eliminate the tax on those specific properties.
- Individuals resident in Nova Scotia on 31 December 2010 with taxable income up to \$11,644, pay no provincial income tax as a result of a low-income tax reduction. The low-income tax reduction is clawed back for income in excess of \$15,000 until the reduction is eliminated, resulting in an additional 5% of provincial tax on income between \$15,000 and \$21,001.

Federal and provincial personal tax credits – 2010

	Federal credit	Provincial credit
Amount of credits:		
Basic personal credit (see note 2 above)	\$ 1,557	\$ 724
Spousal credit (reduced when spouse's income over \$0 (federal) and \$699 (provincial))	1,557	614
Equivalent-to-spouse credit (reduced when dependant's income over \$0 (federal) and \$699 (provincial))	1,557	614
Infirm dependant aged 18 or over (reduced when dependant's income over \$5,992 (federal) and \$5,515 (provincial))	633	239
Caregiver credit (reduced when particular person's income exceeds \$14,422 (federal) and \$13,274 (provincial))	633	418
Age credit (65 and over) ¹	967	353
Disability credit	1,086	430
Pension income (maximum)	300	100
Education and textbook - per month	70	18
Canada employment credit	158	-
Child tax credit - per child under 18	315	-
Credits as a percentage of:		
Tuition fees	15.00%	8.79%
Public transit passes	15.00%	-
Medical expenses ²	15.00%	8.79%
Charitable donations		
- First \$200	15.00%	8.79%
- Remainder	29.00%	21.00%
CPP contributions ³	15.00%	8.79%
EI premiums	15.00%	8.79%

- The maximum federal age credit of \$967 occurs at \$32,506 of net income and declines to nil as net income rises to \$75,480. The maximum provincial age credit of \$353 occurs at \$29,919 of net income and declines to nil as net income rises to \$56,713.
- The federal credit applies to eligible medical expenses that exceed the lesser of \$2,024 and 3% of net income. The provincial credit applies to eligible medical expenses that exceed the lesser of \$1,637 and 3% of net income.
- One-half of CPP paid by self-employed individuals is deductible in computing taxable income.

Source: Ernst & Young Electronic Publishing Services Inc.