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# Tax Alert – Canada

## New Brunswick Budget 2026

EY Tax Alerts cover significant tax news, developments and changes in legislation that affect Canadian businesses. They act as technical summaries to keep you on top of the latest tax issues. For more information, please contact your EY advisor or EY Law advisor.

“[T]oday’s budget reflects an economic and fiscal reality that has evolved significantly in a short period of time. However, our mission stays the same: invest in New Brunswickers by growing our economy and delivering essential public services efficiently.”

“New Brunswickers have been clear about their priorities: accessible health care, a strong education system, and addressing affordability. It’s clear that New Brunswickers want us to find savings before asking people to pay more. This budget reflects that.”

*New Brunswick Minister of Finance and Treasury Board René Legacy  
2026 budget speech*

On 17 March 2026, New Brunswick Minister of Finance and Treasury Board René Legacy tabled the province’s fiscal 2026 budget. The budget contains no new taxes and no income tax increases.

The minister anticipates a deficit of \$1.39 billion for 2026-2027 and projects deficits for each of the next two years.

The budget states that a full economic growth plan will be shared in the coming weeks.

Following is a brief summary of the key tax measures.



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# Business tax measures

## Corporate income tax rates

No changes are proposed to the corporate income tax rates or the \$500,000 small-business limit.

New Brunswick’s 2026 corporate income tax rates are summarized in Table A.

**Table A - 2026 New Brunswick corporate income tax rates<sup>1</sup>**

	NB	Federal and NB combined
Small-business tax rate <sup>2</sup>	2.50%	11.50%
General corporate tax rate <sup>2, 3</sup>	14.00%	29.00%

<sup>1</sup> The rates represent calendar-year-end rates unless otherwise indicated.  
<sup>2</sup> The federal corporate income tax rates for manufacturers of qualifying zero-emission technology are reduced to 7.5% for eligible income otherwise subject to the 15% federal general corporate income tax rate or 4.5% for eligible income otherwise subject to the 9% federal small-business corporate income tax rate. These reductions are not reflected in the combined federal and New Brunswick rates above.  
<sup>3</sup> An additional federal tax applies to banks and life insurers at a rate of 1.5% on taxable income (subject to a \$100 million exemption to be shared by group members).

## Small Business Investor Tax Credit

The budget announced that proposed legislative amendments to the New Brunswick Small Business Investor Tax Credit program to help incentivize productivity and investment will be tabled this spring. No further details were provided in the budget.

# Personal tax

## Personal income tax rates

The budget does not include any changes to personal income tax rates.

The 2026 New Brunswick personal income tax rates are summarized in Table B.

**Table B - 2026 New Brunswick personal income tax rates**

First bracket rate	Second bracket rate	Third bracket rate	Fourth bracket rate
\$0 to \$52,333	\$52,334 to \$104,666	\$104,667 to \$193,861	Above \$193,861
9.40%	14.00%	16.00%	19.50%

For taxable income in excess of \$181,440, the 2026 combined federal-New Brunswick personal income tax rates are outlined in Table C.

**Table C - Combined 2026 federal and New Brunswick personal income tax rates**

Bracket	Ordinary income <sup>1</sup>	Eligible dividends	Non-eligible dividends
\$181,441 to \$193,861 <sup>2</sup>	45.29%	22.46%	38.54%
\$193,862 to \$258,482 <sup>2</sup>	48.79%	27.29%	42.57%
Above \$258,482	52.50%	32.40%	46.83%

<sup>1</sup> The rate on capital gains is one-half the ordinary income tax rate.

<sup>2</sup> The federal basic personal amount comprises two elements: the base amount (\$14,829 for 2026) and an additional amount (\$1,623 for 2026). The additional amount is reduced for individuals with net income in excess of \$181,440 and is fully eliminated for individuals with net income in excess of \$258,482. Consequently, the additional amount is clawed back on net income in excess of \$181,440 until the additional tax credit of \$227 is eliminated; this results in additional federal income tax (e.g., 0.29% on ordinary income) on net income between \$181,441 and \$258,482.

## Other tax measures

### Property tax

The budget proposes to comprehensively review property tax exemptions to ensure they remain equitable and justified. No further details were provided.

### Learn more

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