Income Tax Act

CHAPTER 217 OF THE REVISED STATUTES, 1989

as amended by

1987, c. 3, s. 206; 1990, c. 10, ss. 7-11; 1992, c. 10, s. 35;
1992, c. 15, ss. 10-12; 1993, c. 3, s. 29; 1993, c. 26; 1994, c. 9, ss. 20-23;
1995, c. 2, ss. 5-9; 1996, c. 5, ss. 15-19; 1997, c. 3, ss. 5-9; 1997 (2nd Sess.), c. 4;
1998, c. 13, ss. 4-9; 1999 (2nd Sess.), c. 5, ss. 4-7; 2000, c. 4, ss. 21-61;
2000, c. 29, ss. 17-20; 2001, c. 3, ss. 10-18; 2002, c. 5, ss. 27-30;
2003, c. 4, ss. 15-23; 2004, c. 3, ss. 26-28; 2005, c. 6, ss. 7-25;
2006, c. 2, ss. 16-30; 2007, c. 1, s. 9; 2007, c. 9, ss. 13-27; 2008, c. 2, ss. 8-23;
2009, c. 5, ss. 11, 13-14, 16-23; 2010, c. 3, ss. 2-8; 2011, c. 5, s. 369;
2011, c. 8, ss. 7-10; 2012, c. 4, s. 2; 2013, c. 3, ss. 6-8; 2014, c. 6, s. 3;
2014, c. 33, ss. 11-14; 2014, c. 34, ss. 12-23; 2015, c. 6, ss. 18-23;
2016, c. 2, ss. 2-7; 2017, c. 6, ss. 7-22; 2018, c. 4, ss. 9-13; 2019, c. 16;
2020, c. 2, ss. 4-6; 2021, c. 6, ss. 27-29; 2022, c. 4, ss. 3, 4; 2022, c. 15;
2022, c. 35, ss. 2, 3; 2023, c. 12, s. 3; 2024, c. 3, ss. 55-70; 2024, c. 5, s. 97;
2025, c. 6, ss. 22-37; 2026, c. 3, ss. 61, 62, 63(1)(b), (2), 64

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1995, c. 2, ss. 5-9; 1996, c. 5, ss. 15-19; 1997, c. 3, ss. 5-9; 1997 (2nd Sess.), c. 4;
1998, c. 13, ss. 4-9; 1999 (2nd Sess.), c. 5, ss. 4-7; 2000, c. 4, ss. 21-61;
2000, c. 29, ss. 17-20; 2001, c. 3, ss. 10-18; 2002, c. 5, ss. 27-30;
2003, c. 4, ss. 15-23; 2004, c. 3, ss. 26-28; 2005, c. 6, ss. 7-25;
2006, c. 2, ss. 16-30; 2007, c. 1, s. 9; 2007, c. 9, ss. 13-27; 2008, c. 2, ss. 8-23;
2009, c. 5, ss. 11, 13-14, 16-23; 2010, c. 3, ss. 2-8; 2011, c. 5, s. 369;
2011, c. 8, ss. 7-10; 2012, c. 4, s. 2; 2013, c. 3, ss. 6-8; 2014, c. 6, s. 3;
2014, c. 33, ss. 11-14; 2014, c. 34, ss. 12-23; 2015, c. 6, ss. 18-23;
2016, c. 2, ss. 2-7; 2017, c. 6, ss. 7-22; 2018, c. 4, ss. 9-13; 2019, c. 16;
2020, c. 2, ss. 4-6; 2021, c. 6, ss. 27-29; 2022, c. 4, ss. 3, 4; 2022, c. 15;
2022, c. 35, ss. 2, 3; 2023, c. 12, s. 3; 2024, c. 3, ss. 55-70; 2024, c. 5, s. 97;
2025, c. 6, ss. 22-37; 2026, c. 3, ss. 61, 62, 63(1)(b), (2), 64

An Act Respecting Income Tax

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Short title

1 This Act may be cited as the *Income Tax Act*. R.S., c. 217, s. 1.

PART I - INTERPRETATION AND EXEMPTIONS

Interpretation

2 **(1)** In this Act,

(a) "agreeing province" means a province of Canada that has entered into an agreement with the Government of Canada under which the Government of Canada will collect taxes payable under

that province's income tax statute and will make payments to that province in respect of the taxes so collected;

(b) "collection agreement" means the agreement referred to in subsection 101(1), as amended in accordance with subsection 101(2), or the new collection agreement referred to in subsection 101(2), as amended in accordance with subsection 101(2);

(c) "Commissioner of Customs and Revenue" means the Commissioner of Customs and Revenue, appointed under section 25 of the *Canada Customs and Revenue Agency Act* (Canada);

(d) "Court" means the Supreme Court of Nova Scotia;

(e) "Department of Finance" means

(i) when no collection agreement is in effect, the Department of Finance and Treasury Board of the Province, and

(ii) when a collection agreement is in effect,

(A) in relation to the remittance of an amount as or on account of tax payable under this Act, the Receiver General of Canada, and

(B) in relation to any other matter, the Canada Customs and Revenue Agency;

(f) "deputy head" means

(i) when no collection agreement is in effect, the Deputy Minister of Finance and Treasury Board of the Province or permanent head of that portion of the public service of the Province administered by the Minister of Finance and Treasury Board, or

(ii) when a collection agreement is in effect, the Commissioner of Customs and Revenue;

(g) "Federal Act" means the *Income Tax Act* (Canada);

(h) "Federal ITAR" means the *Income Tax Application Rules* (Canada);

(i) "Federal Regulations" means the regulations, as amended from time to time, made pursuant to the Federal Act;

(j) "income tax statute" means, with reference to an agreeing province, the law of that province that imposes a tax similar to the tax imposed under this Act;

(k) "Minister" means the Minister of National Revenue for Canada, but in any provision of the Federal Act that applies for the purposes of this Act, a reference to the Minister shall be read and construed for the purposes of this Act as a reference to the Minister of Finance;

(l) "Minister of Finance" means

(i) when no collection agreement is in effect, the Minister of Finance and Treasury Board of the Province, and

(ii) when a collection agreement is in effect,

(A) in relation to the remittance of an amount as or on account of tax payable under this Act, the Receiver General of Canada, and

(B) in relation to any other matter, the Minister of National Revenue for Canada;

(m) "permanent establishment", where used for a purpose under this Act, has the same meaning as that assigned for that purpose, or the purpose that is most similar to that purpose, in the Federal Act or the Federal Regulations;

(n) "prescribed" means

(i) in the case of a form, the information to be given on a form or the manner of filing a form, authorized by the Minister or the Minister of Finance and Treasury Board of the Province,

(ii) in the case of the manner of making or filing an election, authorized by the Minister or the Minister of Finance and Treasury Board of the Province,

(iii) in the case where the word "prescribed" is mentioned in a provision of the Federal Act that applies for the purposes of this Act otherwise than in respect of a case to which ~~subclauses~~ [subclause] (i) or (ii) ~~apply~~ [applies], what is prescribed, within the meaning assigned by subsection 248(1) of the Federal Act, in the Federal Regulations under that provision, and

(iv) in any other case where the word is mentioned in this Act, prescribed by regulations;

(o) "Receiver General of Canada" means the Receiver General of Canada, but in any provision of the Federal Act that applies for the purposes of this Act, a reference to the Receiver General of Canada shall be read and construed for the purposes of this Act as a reference to the Minister of Finance;

(p) "registrar" means prothonotary;

(q) "regulations" means a regulation made by the Governor in Council under this Act;

(r) "taxation year" of a person means the period determined under the Federal Act as the person's taxation year.

(2) The expression "last day of the taxation year" shall, in the case of an individual who resided in Canada at any time in the taxation year but ceased to reside in Canada before the last day thereof, be deemed to be a reference to the last day in the taxation year on which the individual resided in Canada.

(3) The tax payable by a taxpayer under this Act or under Part I of the Federal Act means the tax payable by the taxpayer as fixed by assessment or reassessment subject to variation on objection or on appeal, if any, in accordance with this Act, or Part I of the Federal Act, as the case may be.

(4) For the purposes of this Act, except where they are at variance with the definitions contained in this Section, the definitions and interpretations contained in, or made by regulations under, the Federal Act apply.

(5) In any case of doubt, the provisions of this Act shall be applied and interpreted in a manner consistent with similar provisions of the Federal Act.

(6) Any reference in any enactment other than this Act to Chapter 3 of the Acts of 1961, the *Individual and Corporation Income Tax Act*, shall be read and construed as a reference to this Act.

(7) Subsections 104(1) and (2) of the Federal Act apply for the purposes of this Act.

(8) Subsection 248(11) of the Federal Act applies for the purposes of this Act.

(9) Section 257 of the Federal Act applies for the purposes of this Act.

(10) Where a provision, in this subsection referred to as "that section", of the Federal Act or the Federal Regulations is made applicable for the purpose of this Act, that section, as amended from time to time, applies with such modifications as the circumstances require for the purpose of this Act as though it had been enacted as a provision of this Act, and in applying that section for the purpose of this Act, in addition to any other modifications required by the circumstances,

(a) a reference in that section to tax pursuant to Part I of the Federal Act shall be read as a reference to tax pursuant to this Act;

(b) except for the purpose of Part III of this Act, where that section contains a reference to tax pursuant to any of Parts I.1 to XIV of the Federal Act, that section shall be read without reference therein to tax pursuant to any of those Parts and without reference to any portion of that section that applies only to or in respect of tax pursuant to any of those Parts;

(c) a reference in that section to a particular provision of the Federal Act that is the same as, or similar to, a provision of this Act shall be read as a reference to the provision of this Act;

(d) any reference in that section to a particular provision of the Federal Act that applies for the purpose of this Act shall be read as a reference to the particular provision as it applies for the purpose of this Act;

(e) except for the purpose of Part III of this Act, where that section contains a reference to any of Parts I.1 to XIV of the Federal Act or to a provision in any of those Parts, that section shall be read without reference therein to that Part or without reference to that provision, as the case may be, and without reference to any portion of that section that applies only because of the application of any of those Parts or the application of a provision in any of those Parts;

(f) where that section contains a reference to the *Bankruptcy and Insolvency Act* (Canada), that section shall be read without reference therein to the *Bankruptcy and Insolvency Act* (Canada);

(g) subject to clause (h), any reference in that section to the Federal Regulations shall be read as including a reference to this Act or a regulation made under this Act;

(h) a reference in that section to the words "under this Act or under an Act of a province with which the Minister of Finance has entered into an agreement for the collection of taxes payable to the province under that Act" shall be read as a reference to "under this Act";

(i) any reference in that section to the Federal Act or the Federal Regulations shall be read as including a reference to this Act or a regulation made under this Act;

(j) any reference in that section to a word or expression set out in the left-hand column of the following Table shall be read as a reference to the word or expression set out opposite thereto in the right-hand column of the following Table:

TABLE

His Majesty	His Majesty in right of the Province
Canada	Nova Scotia
Criminal Code	Summary Proceedings Act
Receiver General	Minister of Finance and Treasury Board
Canada Customs and Revenue Agency	Department of Finance and Treasury Board
Commissioner of Customs and Revenue	Deputy Head
Deputy Attorney General of Canada	Deputy Attorney General of Nova Scotia
Tax Court of Canada	Supreme Court of Nova Scotia
Tax Court of Canada Act	Judicature Act
Federal Court of Canada	Supreme Court of Nova Scotia
Federal Court Act	Judicature Act
Registrar of the Tax Court of Canada	Prothonotary of the Supreme Court of Nova Scotia
Registry of the Federal Court	Office of the Supreme Court of Nova Scotia

2000, c. 4, s. 61; 2014, c. 34, s. 12.

Application of federal provisions

3 **(1)** In this Section,

(a) "federal amendment" means an amendment to a federal provision;

(b) "federal application rule" means a provision, in this clause referred to as "the provision", of an Act of the Parliament of Canada that makes a federal provision, a federal amendment or the repeal of a federal provision or federal amendment apply

(i) in respect of specified taxation years,

(ii) in respect of specified fiscal periods,

(iii) before or after a specified time,

(iv) in respect of transactions or events that occur before or after a specified time or in specified taxation years or specified fiscal periods, or

(v) in respect of such other criteria as may be set out in the provision; and

(c) "federal provision" means a provision of the Federal Act that applies for the purposes of this Act.

(2) Where a federal application rule governs the application of a federal provision or federal amendment, for the purpose of applying the federal provision or federal amendment for the purposes of this Act, the federal provision or federal amendment shall be applied in accordance with the federal application rule as though the Legislature had enacted that federal application rule to govern the application of the federal provision or federal amendment for the purposes of this Act.

(3) Where a federal provision or a federal amendment comes into force, or is deemed to come into force, at a particular time, and no federal application rule governs its application, the federal provision or federal amendment, as the case may be, is deemed, for the purpose of applying it for the purposes of this Act, to come into force at that particular time.

(4) Where a federal provision is repealed and another provision is not substituted therefor, the federal provision ceases to apply for the purposes of this Act

(a) if the repeal is governed by a federal application rule, in accordance with that federal application rule; and

(b) if the repeal is not governed by a federal application rule, at the time the repeal comes into force or is deemed to come into force.

(5) For the purposes of this Act, where a particular federal provision is replaced by another federal provision, or is repealed and another federal provision is substituted therefor, the other federal provision is deemed to be a continuation of the particular federal provision and the replacing or the repeal and substitution, as the case may be, is deemed to be an amendment to the particular federal provision. 2000, c. 4, s. 61.

Exemptions

4 No tax is payable under this Act by a person for a period when

(a) no tax is payable under Part I of the Federal Act for the period on the person's taxable income because of subsection 149(1) of the Federal Act; or

(b) that person was a non-resident-owned investment corporation. 2000, c. 4, s. 61.

PART II - INCOME TAX

DIVISION A - LIABILITY FOR TAX

Liability of individual

5 An income tax shall be paid as hereinafter required for each taxation year by every individual

(a) who was resident in the Province on the last day of the taxation year; or

(b) who, not being resident in the Province on the last day of the taxation year, had income earned in the taxation year in the Province, as defined in clause 7(c). 2000, c. 4, s. 61.

Liability of corporation

6 An income tax shall be paid as hereinafter required for each taxation year by every corporation that maintained a permanent establishment in the Province at any time in the year. 2000, c. 4, s. 61.

DIVISION B - COMPUTATION OF TAX FOR INDIVIDUALS

Subdivision a - Computation of Tax

Interpretation of Division

7 In this Division,

(a) "appropriate percentage" for a taxation year means the lowest percentage referred to in Section 8 that is applicable in determining tax payable under this Part for the year;

(b) "highest percentage" for a taxation year means the highest percentage referred to in Section 8 that is applicable in determining tax payable under this Part for the year;

(c) "income earned in the taxation year in the Province" means income earned in the year in the Province as determined in accordance with Federal Regulations made for the purposes of the definition "income earned in the year in a province" in subsection 120(4) of the Federal Act;

(d) "income earned in the taxation year outside the Province" means income for the year minus income earned in the taxation year in the Province;

(e) "income for the year" means

(i) in the case of an individual resident in Canada during only part of the taxation year in respect of whom section 114 of the Federal Act applies or in the case of an individual not resident in Canada at any time in the taxation year, the individual's income for the year as computed under subsection 120(3) of the Federal Act, and

(ii) in the case of any other individual, the individual's income for the year as determined in accordance with, and for the purposes of, the Federal Act;

(f) "provincial percentage" for a taxation year means 57.5%;

(g) "tax payable under the Federal Act" by an individual in respect of a taxation year means the amount determined under the definition "tax otherwise payable under this Part" in subsection 120(4) of the Federal Act in respect of the individual for the year. 2000, c. 4, s. 61.

Tax payable by individual

8 The tax payable under this Part for a taxation year by an individual on the individual's taxable income or taxable income earned in Canada, as the case may be, in this Division referred to as the "amount taxable", for the 2010 and subsequent taxation years is

(a) 8.79% of the amount taxable if the amount taxable does not exceed $29,590;

(b) $2,601 plus 14.95% of the amount by which the amount taxable exceeds $29,590 if the amount taxable exceeds $29,590 and does not exceed $59,180;

(c) $7,025 plus 16.67% of the amount by which the amount taxable exceeds $59,180 and does not exceed $93,000; and

(d) $12,662 plus 17.5% of the amount by which the amount taxable exceeds $93,000 and does not exceed $150,000; and

(e) $22,637 plus 21.0% of the amount by which the amount taxable exceeds $150,000. 2000, c. 4, s. 61; 2003, c. 4, s. 15; 2004, c. 3, s. 26; 2010, c. 3, s. 2; 2024, c. 3, s. 55.

8A *repealed 2024, c. 3, s. 56.*

Subdivision b - Adjustments to Tax

Adjustments

9 There shall be added in computing an individual's tax payable under this Part for a taxation year the amount determined by the formula

$$A \times B$$

where

A is the provincial percentage; and

B is the total of

(a) the amount added under section 120.3 of the Federal Act for the purpose of computing the individual's tax payable under Part I of the Federal Act for the taxation year;

(b) the amount added under section 120.31 of the Federal Act for the purpose of computing the individual's tax payable under Part I of the Federal Act for the taxation year; and

(c) the amount added under section 40 of the Federal ITAR for the purpose of computing the individual's tax payable under Part I of the Federal Act for the taxation year. 2000, c. 4, s. 61.

Subdivision c - Tax Credits, Rebates and Other Deductions

Spousal, age and child deductions

10 (1) *repealed 2025, c. 6, s. 22.*

(2) For the purpose of computing the tax payable under this Part for a taxation year by an individual who, before the end of the year, has attained the age of sixty-five years, there may be deducted the amount determined by the formula

$$A \times (\$3{,}531 - B)$$

where

A is the appropriate percentage for the year; and

B is 15% of the amount, if any, by which the individual's income for the year would exceed $26,284 if no amount were included in respect of a gain from a disposition of property to which section 79 of the Federal Act applies in computing that income.

(3) For the purpose of computing the tax payable under this Part for a taxation year by an individual who was resident in the Province on the last day of the taxation year, there may be deducted an amount determined by the formula

$$A \times B$$

where

A is the appropriate percentage for the year; and

B is the lesser of $1,000 and the eligible pension income of the individual for the taxation year.

(4) Subsections 118(4), (5) and (6) of the Federal Act apply to subsection (1) and subsections 118(7) and (8) of the Federal Act apply to subsection (3).

(5) For the purpose of computing the tax payable under this Part by an individual for a taxation year, there may be deducted by an eligible individual in respect of each qualified dependant an amount determined by the formula

$$A \times B$$

where

A is the appropriate percentage for the taxation year; and

B is the product obtained when $100 is multiplied by the number of months in the taxation year, after June 2006, that the individual is the eligible individual in respect of the qualified dependant on the first day of the month.

(6) In subsection (5),

(a) "eligible individual" means a person who, on the last day of the taxation year was resident in the Province and who, at that time,

(i) does not have a cohabiting spouse or common-law partner as defined in section 122.6 of the Federal Act,

(ii) has a cohabiting spouse or common-law partner, as defined in section 122.6 of the Federal Act, whose income for the taxation year is greater than the individual's income for the taxation year,

(iii) has a cohabiting spouse or common-law partner, as defined in section 122.6 of the Federal Act, whose income for the taxation year is equal to the individual's income for the taxation year and the cohabiting spouse or common-law partner renounces his or her entitlement to deduct an amount determined by the formula under subsection (5);

(b) "qualified dependant" means a person who, on the first day of the month,

(i) has not attained the age of six years,

(ii) resides with the eligible individual,

(iii) is not a person in respect of whom a special allowance under the *Children's Special Allowances Act* (Canada) is payable for the month, and

(iv) is not a person in respect of whom an amount has been deducted for a taxation year under subsection 10(1) because of paragraph (b) of the description of B in that subsection.

(7) Only one eligible individual may claim the amount determined by the formula in subsection (5) in respect of the same qualified dependant for any given month.

(8) This Section does not apply for the purpose of computing the tax payable under this Part by an individual for a taxation year after December 31, 2017. 2000, c. 4, s. 61; 2000, c. 29, s. 17; 2003, c. 4, s. 16; 2005, c. 6, s. 7; 2006, c. 2, s. 16; 2007, c. 9, s. 13; 2008, c. 2, s. 8; 2017, c. 6, s. 7; 2018, c. 4, s. 9; 2025, c. 6, s. 22.

10A *repealed 2025, c. 6, s. 22.*

Basic personal amount

10B (1) For the purpose of computing the tax payable under this Part by an individual for a taxation year after December 31, 2024, there may be deducted a basic personal amount determined by the formula

$$A \times B$$

where

A is the appropriate percentage for the year; and

B is $11,744.

(1A) For the purpose of computing the tax payable under this Part by an individual for a taxation year after December 31, 2017 and before 2025, there may be deducted a basic personal amount determined by the formula

A × B

where

A is the appropriate percentage for the year; and

B is $8,481

(2) For the purpose of computing the tax payable under this Part by an individual for a taxation year after December 31, 2017 and before 2025, there may be deducted an additional basic personal amount determined by the formula

A × C

where

A is the appropriate percentage for the year; and

C is

(a) for an individual with a taxable income of $25,000 or less for the year, $3,000; and

(b) for an individual with a taxable income of greater than $25,000 for the year, $3,000 less 6% of the amount by which the individual's taxable income exceeds $25,000 for the year. 2017, c. 6, s. 9; 2025 c. 6, s. 23.

Spousal amount

10C (1) For the purpose of computing the tax payable under this Part by an individual for a taxation year after December 31, 2024, where at any time in the year the individual

(a) is a married person or a person who is in a common-law partnership;

(b) supports the individual's spouse or common-law partner; and

(c) is not living separate and apart from the spouse or common-law partner by reason of a breakdown of their marriage or common-law partnership,

there may be deducted a spousal amount determined by the formula

A × (B - C)

where

A is the appropriate percentage for the year;

B is $12,618; and

C is the greater of $874 and the income of the individual's spouse or common-law partner for the year.

(1A) For the purpose of computing the tax payable under this Part by an individual for a taxation year after December 31, 2017 and before 2025, where at any time in the year the individual

(a) is a married person or a person who is in a common-law partnership;

(b) supports the individual's spouse or common-law partner; and

(c) is not living separate and apart from the spouse or common-law partner by reason of a breakdown of their marriage or common-law partnership,

there may be deducted a spousal amount determined by the formula

$$A \times (B - C)$$

where

A is the appropriate percentage for the year;

B is $9,329; and

C is the greater of $848 and the income of the individual's spouse or common-law partner for the year.

(2) For the purpose of computing the tax payable under this Part by an individual for a taxation year after December 31, 2017 and before 2025, where the individual is eligible to make a deduction under subsection (1), there may be deducted an additional spousal amount determined by the formula

$$A \times (D - E)$$

where

A is the appropriate percentage for the year;

D is

(a) for an individual with a taxable income of $25,000 or less for the year, $3,000; and

(b) for an individual with a taxable income of greater than $25,000 for the year, $3,000 less 6% of the amount by which the individual's taxable income exceeds $25,000 for the year.

E is the income of the individual's spouse or common-law partner for the year. 2017, c. 6, s. 9; 2018, c. 4, s. 10; 2024, c. 3, s. 57; 2025, c. 6, s. 24.

Dependant amount

10D (1) Except in the case of an individual who claims a deduction for the taxation year under Section 10C, for the purpose of computing the tax payable under this Part by an individual for a taxation year after December 31, 2024, where at any time in the year the individual

(a) is either

(i) an unmarried individual who does not live in a common-law partnership, or

(ii) an individual who is married or in a common-law partnership and who

(A) neither supports nor lives with the individual's spouse or common-law partner, and

(B) is not supported by the individual's spouse or common-law partner; and

(b) whether alone or jointly with one or more other individuals, maintains a self-contained domestic establishment in which the individual lives, and actually supports in that establishment an individual who, at that time, is

(i) except in the case of a child of the individual, resident in Canada,

(ii) wholly dependent for support on the individual or on the individual and any other individuals in the domestic establishment, as the case may be,

(iii) related to the individual, and

(iv) except in the case of a parent or grandparent of the individual, either under eighteen years of age or so dependent by reason of mental or physical infirmity,

there may be deducted a dependant amount determined by the formula

$$A \times (B - C)$$

where

A is the appropriate percentage for the year;

B is $12,618; and

C is the greater of $874 and the income of the individual's dependant for the year.

(1A) Except in the case of an individual who claims a deduction for the taxation year under Section 10C, for the purpose of computing the tax payable under this Part by an individual for a taxation year after December 31, 2017 and before 2025, where at any time in the year the individual

(a) is either

(i) an unmarried individual who does not live in a common-law partnership, or

(ii) an individual who is married or in a common-law partnership and who

(A) neither supports nor lives with the individual's spouse or common-law partner, and

(B) is not supported by the individual's spouse or common-law partner; and

(b) whether alone or jointly with one or more other individuals, maintains a self-contained domestic establishment in which the individual lives, and actually supports in that establishment an individual who, at that time, is

(i) except in the case of a child of the individual, resident in Canada,

(ii) wholly dependent for support on the individual or on the individual and any other individuals in the domestic establishment, as the case may be,

(iii) related to the individual, and

(iv) except in the case of a parent or grandparent of the individual, either under eighteen years of age or so dependent by reason of mental or physical infirmity,

there may be deducted a dependant amount determined by the formula

$$A \times (B - C)$$

where

A is the appropriate percentage for the year;

B is $9,329; and

C is the greater of $848 and the income of the individual's dependant for the year.

(2) For the purpose of computing the tax payable under this Part by an individual for a taxation year after December 31, 2017 and before 2025, where the individual is eligible to make a deduction under subsection (1), there may be deducted an additional dependant amount determined by the formula

$$A \times (D - E)$$

where

A is the appropriate percentage for the year;

D is

(a) for an individual with a taxable income of $25,000 or less for the year, $3,000; and

(b) for an individual with a taxable income of greater than $25,000 for the year, $3,000 less 6% of the amount by which the individual's taxable income exceeds $25,000 for the year; and

E is the income of the individual's dependant for the year. 2017, c. 6, s. 9; 2018, c. 4, s. 11; 2024, c. 3, s. 58; 2025, c. 6, s. 25.

Caregiver amount

10E For the purpose of computing the tax payable under this Part by an individual for a taxation year after December 31, 2017, where at any time in the year the individual alone or jointly with one or more individuals, maintains a self-contained domestic establishment that is the ordinary place of residence of the individual and of a particular person

(a) who has attained the age of eighteen years;

(b) who is

(i) the individual's child or grandchild, or

(ii) the parent, grandparent, brother, sister, aunt, uncle, nephew or niece of the individual or of the individual's spouse or common-law partner and resident in Canada; and

(c) who

(i) is the individual's parent or grandparent and has attained the age of sixty-five years, or

(ii) is dependent on the individual because of the particular person's mental or physical infirmity,

there may be deducted a caregiver amount determined by the formula

$$A \times (B - C)$$

where

A is the appropriate percentage for the year;

B is $18,575; and

C is the greater of the particular person's income for the year and $13,677. 2017, c. 6, s. 9.

Infirm dependant amount

10F (1) For the purpose of computing the tax payable under this Part by an individual for a taxation year after December 31, 2024, for each dependant of the individual who at any time in the year

(a) has attained the age of eighteen years; and

(b) is dependent on the individual because of mental or physical infirmity,

there may be deducted an infirm dependant amount determined by the formula

$$A \times (B - C)$$

where

A is the appropriate percentage for the year;

B is $8,744; and

C is the greater of the dependant's income for the year and $5,859.

(2) For the purpose of computing the tax payable under this Part by an individual for a taxation year after December 31, 2017 and before 2025, for each dependant of the individual who at any time in the year

(a) has attained the age of eighteen years; and

(b) is dependent on the individual because of mental or physical infirmity,

there may be deducted an infirm dependant amount determined by the formula

$$A \times (B - C)$$

where

A is the appropriate percentage for the year;

B is $8,481; and

C is the greater of the dependant's income for the year and $5,683. 2017, c. 6, s. 9; 2025, c. 6, s. 26.

Age amount

10G (1) For the purpose of computing the tax payable under this Part by an individual for a taxation year after December 31, 2024, where an individual has attained the age of sixty-five years before the end of the year, there may be deducted an age amount determined by the formula

$$A \times (B - C)$$

where

A is the appropriate percentage for the year;

B is $5,734; and

C is 15% of the amount, if any, by which the individual's income for the year would exceed $30,828 if no amount were included in respect of a gain from a disposition of property to which section 79 of the Federal Act applies in computing that income and, for a taxation year after December 31, 2017, no amount were deductible under paragraph 20(1)(ww) of the Federal Act.

(1A) For the purpose of computing the tax payable under this Part by an individual for a taxation year after December 31, 2017 and before 2025, where an individual has attained the age of sixty-five years before the end of the year, there may be deducted an age amount determined by the formula

$$A \times (B - C)$$

where

A is the appropriate percentage for the year;

B is $4,141; and

C is 15% of the amount, if any, by which the individual's income for the year would exceed $30,828 if no amount were included in respect of a gain from a disposition of property to which section 79 of the Federal Act applies in computing that income and no amount were deductible under paragraph 20(1)(ww) of the Federal Act.

(2) For the purpose of computing the tax payable under this Part by an individual for a taxation year after December 31, 2017 and before 2025, where the individual is eligible to make a deduction under subsection (1), there may be deducted an additional age amount determined by the formula

$$A \times D$$

where

A is the appropriate percentage for the year; and

D is

(a) for an individual with a taxable income of $25,000 or less for the year, $1,465; and

(b) for an individual with a taxable income of greater than $25,000 for the year, $1,465 less 2.93% of the amount by which the individual's taxable income exceeds $25,000 for the year. 2017, c. 6, s. 9; 2025, c. 6, s. 27.

Pension amount

10H For the purpose of computing the tax payable under this Part by an individual for a taxation year after December 31, 2017, where the individual was resident in the Province on the last day of the year, there may be deducted a pension amount determined by the formula

$$A \times B$$

where

A is the appropriate percentage for the year; and

B is the lesser of

(a) $1,173; and

(b) the amount that is determined under paragraph (b) of the description of B in subsection 118(3) of the Federal Act and used in computing the individual's deduction under that subsection for the taxation year. 2017, c. 6, s. 9; 2025, c. 6, s. 28.

Amount for young children

10I (1) In this Section,

(a) "eligible individual" means an individual who, on the last day of the taxation year, is resident in the Province and who, at that time,

(i) does not have a cohabiting spouse or common-law partner as defined in section 122.6 of the Federal Act,

(ii) has a cohabiting spouse or common-law partner, as defined in section 122.6 of the Federal Act, whose income for the taxation year is greater than the individual's income for the taxation year, or

(iii) has a cohabiting spouse or common-law partner, as defined in section 122.6 of the Federal Act, whose income for the taxation year is equal to the individual's income for the taxation year and renounces his or her entitlement to deduct an amount determined by the formula under subsection (2);

(b) "qualified dependant" means an individual who, on the first day of the month,

(i) has not attained the age of six years,

(ii) resides with the eligible individual,

(iii) is not a person in respect of whom a special allowance under the *Children's Special Allowances Act* (Canada) is payable for the month, and

(iv) is not a person in respect of whom an amount has been deducted for that taxation year under Section 10D.

(2) For the purpose of computing the tax payable under this Part by an eligible individual for a taxation year after December 31, 2017, there may be deducted by the eligible individual in respect of each qualified dependant an amount for young children determined by the formula

$$A \times B$$

where

A is the appropriate percentage for the year; and

B is the product obtained when $100 is multiplied by the number of months in the taxation year that the individual is the eligible individual in respect of the qualified dependant on the first day of the month.

(3) Only one eligible individual may claim the amount determined by the formula in subsection (2) in respect of the same qualified dependant for any given month. 2017, c. 6, s. 9.

Application of certain Federal Act provisions

10J (1) Subsections 118(4), (5) and (6) of the Federal Act apply to Sections 10C and 10D.

(2) Subsections 118(4), (5) and (6) of the Federal Act apply to Sections 10E and 10F except that paragraphs 118(4)(c) and (d) are to be replaced with paragraphs 118(4)(c), (d) and (e) as those paragraphs read for the 2016 taxation year.

(3) Subsections 118(7) and (8) of the Federal Act apply to Section 10H.

(4) This Section applies to taxation years commencing after December 31, 2016. 2025, c. 6, s. 29.

Charitable gifts deductions

11 For the purpose of computing the tax payable under this Part by an individual for a taxation year, if the individual is entitled to a deduction under subsection 118.1(3) of the Federal Act for the year, there may be deducted such amount as determined by the formula

$$(A \times B) + [C \times (D - B)]$$

where

A is the appropriate percentage for the year;

B is the lesser of $200 and the amount determined for D;

C is the highest percentage; and

D is the amount of the individual's total gifts used to determine the deduction amount under section 118.1 of the Federal Act by the individual for the year. 2000, c. 4, s. 61; 2008, c. 2, s. 10.

Medical expense credit

12 For the purpose of computing the tax payable under this Part by an individual for a taxation year ending after December 31, 2003, if the individual is entitled to a deduction under subsection 118.2(1) of the Federal Act for the year, there may be deducted an amount determined by the formula,

$$A \times [(B - C) + D]$$

where

A is the appropriate percentage for the year;

B is the total of the individual's medical expenses in respect of the individual, the individual's spouse, the individual's common-law partner or a child of the individual who has not attained the age of eighteen years before the end of the taxation year that are included in determining the individual's medical expense credit for the year under subsection 118.2 (1) of the Federal Act;

C is the lesser of $1,637 and three per cent of the individual's income for the year; and

D is the total of all amounts each of which

(a) is in respect of a dependant of the individual, within the meaning assigned by subsection 118 (6) of the Federal Act, other than a child of the individual who has not attained the age of eighteen years before the end of the taxation year; and

(b) is, in respect of the dependant,

(i) in the taxation year 2004, the lesser of $5,000 and the amount that would be determined by the formula "E - F" in subsection 118.2 (1) of the Federal Act, if the dollar amount set out in the description of "C" in this subsection were substituted for the dollar amount set out in the description of "F" in subsection 118.2 (1) of the Federal Act,

(ii) in taxation years after 2004 and before 2011, the lesser of $10,000 and the amount that would be determined by the formula "E - F" in subsection 118.2(1) of the Federal Act, if the dollar amount set out in the description of "C" in this subsection were substituted for the dollar amount set out in the description of "F" in subsection 118.2(1) of the Federal Act,

(iii) in taxation years after 2010, the amount that would be determined by the formula "E - F" in subsection 118.2(1) of the Federal Act, if the dollar amount set out in the description of "C" in this subsection were substituted for the dollar amount set out in the description of "F" in subsection 118.2(1) of the Federal Act. 2006, c. 2, s. 18; 2018, c. 4, s. 12.

12A *repealed 2024, c. 3, s. 59*.

Naturopath tax credit

12B (1) In this Section, "qualified naturopath" means a person who

(a) is a graduate of a naturopathic school accredited by the Council on Naturopathic Medical Education;

(b) has successfully completed all parts of the Naturopathic Physicians Licensure Examination;

(c) has malpractice insurance coverage; and

(d) is a member in good standing of the Canadian Association of Naturopathic Doctors.

(2) For the purpose of computing the tax payable under this Part by an individual for a taxation year ending after December 31, 2007, there may be deducted an amount determined by the formula

$$A \times (B + C)$$

where

A is the appropriate percentage for the year;

B is the total of the amounts paid by the individual for the taxation year to a qualified naturopath or such other medical professional as may be designated by the Governor in Council in respect of medical services provided to the individual, the individual's spouse or common-law partner, or a child of the individual who has not attained the age of eighteen years before the end of the taxation year;

C is the total of all amounts each of which

(a) is in respect of a dependant of the individual, within the meaning assigned by subsection 118(6) of the Federal Act, other than a child of the individual who has not attained the age of eighteen years before the end of the taxation year; and

(b) is, in respect of the dependant, the lesser of $10,000, and the total of the amounts paid by the individual for the taxation year to a qualified naturopath or such other medical professional as may be designated by the Governor in Council in respect of medical services provided to the dependant.

(3) The definitions and interpretations contained in section 118.2 of the Federal Act apply for the purpose of this Section, except that, for the purpose of subsection (1), a reference to a "medical practitioner" in section 118.2 is a reference to a qualified naturopath or such other medical professionals as may be designated by the Governor in Council.

(4) Medical expenses in respect of an individual, the individual's spouse, the individual's common-law partner, a child of the individual or a dependent of the individual in this Section must not include an amount for which the individual may claim a tax credit under Section 12.

(5) The Governor in Council may make regulations designating other medical professionals for the purpose of this Section. 2008, c. 2, s. 12.

Impairment credit

13 (1) Where an individual is entitled to deduct an amount pursuant to subsection 118.3(1) of the Federal Act for the purpose of computing the individual's tax payable for a taxation year under Part I of the Federal Act, for the purposes

of computing the tax payable under this Part by the individual for the taxation year, there may be deducted an amount determined by the formula

$$A \times (B + C)$$

where

A is the appropriate percentage for the year;

B is $4,293; and

C is

(a) where the individual has not attained eighteen years of age before the end of the year, the amount determined by the formula

$$\$2,941 - (D - \$2,000)$$

where

D is the greater of $2,000 or the total of the amounts paid in the year for the care and supervision of the individual and included in computing a deduction under sections 63, 64 and 118.2 of the Federal Act; and

(b) in any other case, nil.

(2) Sections 118.3 and 118.4 of the Federal Act apply for the purposes of this Act, except that subsection (1) of this Section applies instead of subsection 118.3(1) of the Federal Act.

(3) Notwithstanding subsection (1) and (2), for the purpose of computing the tax payable under this Part for a taxation year by an individual who is entitled to a deduction under subsection 118.3(2) of the Federal Act for the taxation year in respect of a person referred to in that subsection there may be deducted the amount, if any, by which

(a) the amount deductible under subsection (1) in computing that person's tax payable under this Part for the taxation year, or that would be so deductible if the person were liable under Section 5 to pay tax for the taxation year,

exceeds

(b) the amount of that person's tax payable under this Part for the taxation year if the person were liable under Section 5 to pay tax for the taxation year, computed before any deductions under this Division other than deductions referred to in Sections 10, 10B to 10I and 18. 2000, c. 4, s. 61; 2001, c. 3, s. 10; 2005, c. 6, s. 9; 2017, c. 6, s. 10.

2007 to 2010 years

13A (1) The dollar amount of $4,293 referred to in subsection 13(1) and included in the description of B and C in subsection 13(1) is replaced with the following dollar amount:

(a) for the 2007 taxation year, $4,441;

(b) for the 2008 taxation year, $4,596;

(c) for the 2009 taxation year, $4,738; and

(d) for the 2010 taxation year, $4,887.

(2) The dollar amount of $2,941 referred to in subsection 13(1) and included in the description of C in subsection 13(1) is replaced with the following dollar amount:

(a) for the 2007 taxation year, $3,043;

(b) for the 2008 taxation year, $3,144;

(c) for the 2009 taxation year, $3,246; and

(d) for the 2010 taxation year, $3,348.

(3) The dollar amount of $2,000 referred to in subsection 13(1) and included in the description of C in subsection 13(1) is replaced with the following dollar amount:

(a) for the 2007 taxation year, $2,069;

(b) for the 2008 taxation year, $2,138;

(c) for the 2009 taxation year, $2,207; and

(d) for the 2010 taxation year, $2,277. 2006, c. 2, s. 20.

Tuition credit

14 Section 118.5 of the Federal Act applies for the purposes of this Act, except that any reference to "appropriate percentage" in that section is to be read as a reference to "appropriate percentage", as that term is defined for the purposes of this Division, for the purposes of this Act. 2000, c. 4, s. 61.

Education credit

15 (1) For the purpose of computing the tax payable under this Part by an individual who is a qualifying student for a taxation year, there may be deducted an amount determined by the formula

$$A \times B$$

where

A is the appropriate percentage for the year; and

B is the total of the products obtained when

(a) $200 is multiplied by the number of months in the year during which the individual is enrolled in a qualifying educational program as a full-time student at a designated educational institution; and

(b) $60 is multiplied by the number of months in the year, other than months described in clause (a), each of which is a month during which the individual is enrolled at a designated educational institution in a specified educational program that provides that each student in the program spend not less than twelve hours in the month on courses in the program.

(2) Subsections 118.6(1) and (3) of the Federal Act apply for the purposes of this Section, except that the reference in subsection 118.6(3) to "subparagraph (a)(i) of the definition *qualifying student* in subsection (1)" is to be read as "clause 15(1)(a) of the *Income Tax Act* (Nova Scotia)". 2000, c. 4, s. 61; 2017, c. 6, s. 11.

Unused tuition and education tax credits

16 **(1)** For the purpose of computing an individual's tax payable under this Part for a taxation year, there may be deducted the lesser of

(a) the individual's unused tuition and education credits at the end of the preceding taxation year; and

(b) the amount that would be the individual's tax payable under this Part for the year if no amount were deductible under this Part, other than an amount deductible under this Section and any of Sections 10, 10B to 10I, 13 and 18.

(2) An individual's unused tuition and education tax credits at the end of a taxation year is the amount determined by the formula

$$A + (B - C) - (D + E)$$

where

A is the individual's unused tuition and education credits at the end of the preceding taxation year;

B is the total of all amounts each of which may be deducted under Sections 14 and 15 in computing the individual's tax payable under this Part for the year;

C is the lesser of the value of B and the amount that would be the individual's tax payable under this Part for the year if no amount were deductible under this Part, other than an amount deductible under this Section and any of Sections 10, 10B to 10I, 13 and 18;

D is the amount that the individual may deduct under subsection (1) for the year; and

E is the tuition and education tax credits transferred for the year by the individual to the individual's spouse, common-law partner, parent or grandparent.

(3) For the purpose of determining the amount that may be deducted under subsection (1) for a taxation year that begins after 2003 by an individual who was not resident in the Province on the last day of the preceding taxation year, the individual's unused tuition and education tax credits at the end of the preceding taxation year is equal to the amount that would be the individual's unused tuition and education tax credits at the end of the preceding taxation year as determined under section 118.61 of the Federal Act if the percentage applied under sections 118.5 and 118.6 of the Federal Act had been the appropriate percentage for the year instead of the appropriate percentage as defined in the Federal Act.

(4) For the purpose of subsection (3), the amounts mentioned in that subsection may be used only to the extent that they have not been used in claiming a credit pursuant to section 118.5, 118.6 or 118.61 of the Federal Act, or in determining credits transferred pursuant to section 118.81 of the Federal Act, for any taxation year.

(5) For the purpose of determining the amount that may be deducted under subsection (1) for a taxation year that begins after 2003, the unused tuition and education tax credits of an individual who resided in the Province at the end of the 2003 taxation year is equal to 8.79 / 9.77 of the amount that would be the

individual's unused tuition and education tax credits at the end of the 2003 taxation year if this Section were read without reference to this subsection. 2005, c. 6, s. 10; 2017, c. 6, s. 12; 2024, c. 3, s. 60.

Credit for interest on student loan

17 For the purpose of computing the tax payable under this Part by an individual for a taxation year, if the individual is entitled to a deduction under section 118.62 of the Federal Act for the year, there may be deducted an amount determined by the formula

$$A \times B$$

where

A is the appropriate percentage for the year; and

B is the amount determined for B in the formula in section 118.62 of the Federal Act for the purpose of computing the individual's tax payable under Part I of the Federal Act for the year. 2000, c. 4, s. 61.

Graduate tax credit

17A (1) In this Section,

(a) "eligible program" means a program of post-secondary study delivered at an approved institution that

(i) requires at least twelve weeks of full-time study or is recognized by the Minister as requiring the equivalent of twelve weeks of full-time study, and

(ii) is recognized by the Minister in accordance with any criteria that may be prescribed in the regulations;

(b) "graduate tax credit" means a post-secondary graduate tax credit allowed pursuant to subsection (3);

(c) "Minister" means the Minister of Finance and Treasury Board of the Province;

(d) "qualified individual" means an individual who has graduated from an eligible program in a taxation year;

(e) "taxation year" means the 2006 taxation year or a subsequent taxation year.

(2) A qualified individual who has not previously received a graduate tax credit pursuant to this Section may apply to the Minister for a graduate tax credit under this Section in the manner, within the time and in such form as may be prescribed by regulation.

(3) Where the Minister is satisfied that an individual is a qualified individual, the Minister may allow the qualified individual a graduate tax credit for the taxation year in which the qualified individual graduated or in either of the next two taxation years immediately following the taxation year in which the qualified individual graduated, in an amount calculated in accordance with the following formula and rounded up to the next whole dollar:

$$TC = 8.79\% \times \$11,376$$

(4) Where the Minister allows a graduate tax credit to a qualified individual, the Minister shall issue a form confirming the following:

(a) the qualified individual's entitlement to the tax credit;

(b) the amount of the tax credit that is allowed;

(c) any additional information that may be required in the regulations.

(5) For the purpose of computing tax payable by a qualified individual under this Part, there may be deducted an amount certified by the Minister in clause (4)(b), in whole or in part, in the taxation year in which the amount is allowed by the Minister and any unused portion may be deducted in any subsequent taxation year up to and including the second taxation year following the taxation year in which the qualified individual graduated, following which there is no further deduction permitted.

(6) Where a qualified individual claims a graduate tax credit in computing the tax payable under this Part for a taxation year, the qualified individual's annual return is to be accompanied by the form issued to the qualified individual pursuant to clause (4)(b).

(6A) No amount may be deducted pursuant to this Section on a separate return of income filed pursuant to subsection 70(2) or 150(4), paragraph 104(23)(d) or paragraph 128(2)(e) of the Federal Act.

(6B) For the purpose of computing an individual's deduction under this Section for a taxation year that ends in a calendar year in which the individual becomes bankrupt, the total of the amounts deductible for all taxation years of the individual in the calendar year under this Section cannot exceed the amount that would have been deductible under this Section with respect to the calendar year if the individual had not become bankrupt.

(7) The Governor in Council may make regulations

(a) establishing criteria to define eligible programs and approved institutions;

(b) respecting additional information that must be provided for an application under subsection (2);

(c) respecting any additional criteria for approval, amendment or rejection of applications under subsection (2);

(d) respecting the form of the certificate to be provided under clause (4)(b);

(e) defining, expanding or restricting the meaning of any word or expression used but not defined in this Section;

(f) respecting any other matter that the Governor in Council considers necessary or advisable to carry out effectively the intent and purpose of this Section.

(8) A regulation made pursuant to this Section may be made retroactive to a day not earlier than January 1, 2006. 2006, c. 2, s. 21; 2007, c. 9, s. 14; 2014, c. 34, s. 14.

Credit for EI premium and CPP

18 Section 118.7 of the Federal Act applies for the purposes of this Act, except that any reference to "appropriate percentage" in that section is to be read as a reference to "appropriate percentage", as that term is defined for the purposes of this Division, for the purposes of this Act. 2000, c. 4, s. 61.

Transfer of credits

19 (1) For the purpose of computing the tax payable under this Part for a taxation year by an individual who, at any time in the year, is a married person or a person who is in a common-law partnership, other than an individual who, by reason of a breakdown of the individual's marriage or common-law partnership, is living separate and apart from the individual's spouse or common-law partner at the end of the year and for a period of ninety days commencing in the year, there may be deducted an amount determined by the formula

$$A + B - C$$

where

A is the tuition and education tax credits transferred for the year by the spouse or common-law partner to the individual;

B is the total of all amounts each of which is deductible under subsections 10(2) and (3) and Sections 10G, 10H and 13 in computing the spouse's or common-law partner's tax payable under this Part for the year, or that would be so deductible if the spouse or common-law partner were liable under Section 5 to pay tax for the year; and

C is the amount, if any, by which

(a) the amount that would be the spouse's or common-law partner's tax payable under this Part for the year, or that would be so payable if the spouse or common-law partner were liable under Section 5 to pay tax for the year, if no amount were deductible under this Part, other than an amount deductible under clause 10(1)(c) and Sections 10B, 16 and 18,

exceeds

(b) the lesser of

(i) the total of all amounts that may be deducted under Sections 14 and or 15 in computing the spouse's or common-law partner's tax payable under this Part for the year, or that would be so deductible if the spouse or common-law partner were liable under Section 5 to pay tax for the year, and

(ii) the amount that would be the spouse's or common-law partner's tax payable under this Part for the year, or that would be so payable if the spouse or common-law partner were liable under Section 5 to pay tax for the year, if no amount were deductible under this Part, other than an amount deductible under Sections 10, 10B to 10G, 13, 16 and 18.

(2) Where for a taxation year a parent or grandparent of an individual, other than an individual in respect of whom the individual's spouse of common-law partner deducts an amount for the year under clause 10(1)(a), Section 10C or subsection 19(1) of this Act, section 118 or 118.8 of the Federal Act or similar provi-

sions of an income tax statute of another province of Canada, is the only person designated in writing by the individual for the year for the purpose of this subsection, and no other person is designated for the year for the purpose of section 118.9 of the Federal Act, or similar provision of an income tax statute of another province of Canada, there may be deducted in computing the tax payable under this Part for the year by the parent or grandparent, as the case may be, the tuition and education tax credits transferred for the year by the individual to the parent or grandparent, as the case may be.

(3) In this Section, the tuition and education tax credits transferred for a tuition year by a person to an individual is the lesser of

(a) the amount determined by the formula

A - B

where

A is the lesser of

(i) the total of all amounts that may be deducted under Sections 14 or 15 in computing the person's tax payable under this Part for the year, or that would be so deductible if the person were liable under Section 5 to pay tax for the year; and

(ii) the amount obtained by multiplying $5,000 by the appropriate percentage for the year; and

B is the amount that would be the person's tax payable under this Part for the year, or that would be so payable if the person were liable under Section 5 to pay tax for the year, if no amount were deductible under this Part, other than an amount deductible under Sections 10, 10B to 10I, 13, 16 and 18; and

(b) the amount for the year that the person designates in writing for the purpose of subsection (1) or (2). 2005, c. 6, s. 11; 2008, c. 2, s. 13; 2017, c. 6, s. 13; 2024, c. 3, s. 61.

Deemed overpayment

19A (1) In this Section,

(a) "benefit year" means the 2003 calendar year;

(b) "eligible individual" means an individual other than a trust.

(2) An eligible individual is deemed to have made an overpayment on account of the tax payable by the individual under this Act for the taxation year ending in or at the same time as the benefit year if the following conditions are satisfied:

(a) the individual files a return of income, other than a return of income filed under paragraph 128(2)(e) of the Federal Act, for the taxation year ending on the last day of 2001, 2002 or 2003 no later than twelve months after the end of the respective taxation year;

(b) the Minister of Finance assesses an amount of tax payable under this Act on or before December 31st of the immediately following taxation year;

(c) the individual is resident in the Province as at May 1, 2003, if the eligibility determination is made in June 2003, and for eligibility determinations made in months subsequent to June 2003, the individual is resident in the Province at the beginning of that month; and

(d) the amount of tax payable by the individual for the taxation year, as determined on assessment or reassessment by the Minister of Finance, is equal to or greater than $1.00.

(3) Subject to subsection (4), the amount of the deemed overpayment for the benefit year is $155 and that overpayment is deemed to have an effective date that is the day of the month in which the individual's eligibility is determined.

(4) An individual who filed a return of income for the 2001, 2002 or 2003 calendar year is not entitled to the deemed overpayment referred to in subsection (3) if

(a) for the 2001 taxation year a return was filed and assessed for any taxation year pursuant to subsection 70(1) of the Federal Act before January 1, 2003;

(b) for the 2002 taxation year a return was filed and assessed for any taxation year pursuant to subsection 70(1) of the Federal Act before January 1, 2004; or

(c) for the 2003 taxation year a return was filed and assessed for any taxation year pursuant to subsection 70(1) of the Federal Act before January 1, 2005.

(5) An individual who would be eligible for a refund with respect to a return of income filed and assessed for either the 2001, 2002 or 2003 taxation year but who has since died and for whom a return of income pursuant to subsection 70(1) of the Federal Act has not been filed and assessed is deemed to be resident in the Province as at May 1, 2003, if the eligibility determination is made in June, 2003, and for eligibility determinations made in months subsequent to June 2003, the individual is deemed to be resident in the Province at the beginning of the month in which the determination is made.

(6) The Minister of Finance shall determine, without an application by an individual, whether the individual is or remains an eligible individual for the benefit year.

(7) After making a determination under subsection (6), the Minister of Finance shall pay a refund to the individual in the amount of the deemed overpayment.

(8) The Minister of Finance shall not pay a refund under this Section after January 15, 2005.

(9) Where an individual receives a refund under this Section to which the individual is not entitled, the individual shall repay the amount to the Minister of Finance.

(10) No amount is repayable under subsection (9) if the individual's entitlement to a refund or the amount of the individual's refund is reduced by reason of an assessment or reassessment of tax issued

(a) with respect to the 2001 taxation year, after December 31, 2002;

(b) with respect to the 2002 taxation year, after December 31, 2003; or

(c) with respect to the 2003 taxation year, after December 31, 2004.

(11) An amount payable under subsection (9), that has not been paid to the Minister of Finance,

(a) constitutes a debt to His Majesty in right of the Province and may be recovered by way of deduction or set-off or may be recovered in any court of competent jurisdiction in proceedings commenced at any time or by any other manner provided by this Act; and

(b) is deemed for the purpose of Sections 81 to 106 to be tax payable under this Act.

(12) For the purpose of section 164 of the Federal Act as it applies for the purpose of this Act, a refund paid under this Section is deemed to be a refund of tax under this Act.

(13) Notwithstanding subsection (12), no interest is payable on the amount of a refund under this Section or on an amount repayable under subsection (9).

(14) An individual is not entitled to the deemed overpayment pursuant to this Section where the Minister has made an assessment pursuant to subsection 152(7) of the Federal Act.

(15) Notwithstanding anything contained in this Section, the Minister shall not take into consideration a change in the residency determination made with respect to an individual

(a) for the 2001 or 2002 taxation year, after December 31, 2003; or

(b) for the 2003 taxation year, after December 31, 2004.

(16) A decision of the Minister of Finance pursuant to this Section is final and not subject to appeal.

(17) For greater certainty, a taxpayer is only entitled to one payment pursuant to subsection (3). 2003, c. 4, s. 17

Income not earned in Province

20 There may be deducted in computing an individual's tax payable under this Part for a taxation year the amount determined by the formula

$$A \times B$$

where

A is the provincial percentage; and

B is the amount that the individual may deduct for the taxation year under section 120.2 of the Federal Act for the purpose of computing the individual's tax payable under Part I of the Federal Act. 2000, c. 4, s. 61.

Deduction for taxable dividends

21 For the purpose of computing the tax payable under this Part for a taxation year by an individual who was resident in the Province on the last day of the taxation year, there may be deducted an amount equal to

(a) 1.5% of the total of the amount required under paragraph 82(1)(a) and subparagraph 82(1)(b)(i) of the Federal Act to be included in computing the individual's income for the year for taxation years after December 31, 2024; and

(aa) *repealed 2025, c. 6, s. 30*.

(b) 8.85% of the total of the amount required under paragraph 82(1)(a.1) and subparagraph 82(1)(b)(ii) of the Federal Act to be included in computing the individual's income for the year. 2007, c. 9, s. 15; 2011, c. 8, s. 7; 2015, c. 6, s. 20; 2025, c. 6, s. 30.

Deduction for employment out of Canada

22 For the purposes of computing tax payable under this Part by an individual who was resident in the Province on the last day of the taxation year, there may be deducted an amount equal to the provincial percentage of the amount that the individual may deduct under section 122.3 of the Federal Act for that taxation year. 2000, c. 4, s. 61; 2005, c. 6, s. 13.

2025 and subsequent taxation years

22A (1) In this Section,

(a) "consumer price index" means the consumer price index for the Province published under the *Statistics Act* (Canada);

(b) "relevant Section" means Section 8, subsection 10B(1), 10C(1) or 10D(1), Section 10F and subsection 10G(1).

(2) For the purpose of calculating the tax payable by an individual for the 2026 taxation year and subsequent taxation years, an amount expressed in dollars in a relevant Section must be adjusted so that the amount referred to in the relevant Section is the total of

(a) the amount that would be used under the relevant Section for the immediately preceding taxation year before it had been rounded to a whole dollar; and

(b) the product obtained by multiplying the amount referred to in clause (a) by

(i) the consumer price index amount calculated for the period as determined under the regulations, or

(ii) the amount determined by an order of the Governor in Council.

(3) Where an amount to which subsection (2) applies is not a multiple of one dollar when adjusted as provided in that subsection, it must be rounded to the nearest dollar or, where equidistant, must be rounded to the higher dollar.

(4) This Section does not apply to the amount "$30,828" in the description of C in subsection 10G(1). 2024, c. 3, s. 62; 2025, c. 6, s. 31.

Subdivision d - Restrictions on Credits and Other Rules

Part-year residents

23 (1) Notwithstanding Sections 10 to 19, but subject to subsection (2), where an individual is resident in Canada throughout part of a taxation year and throughout another part of the taxation year is non-resident, for the purpose of computing the individual's tax payable under this Act for the taxation year

(a) the amount deductible for the taxation year under each of Sections 10 to 19 with respect to the part of the taxation year that is not included in the period or periods in the taxation year throughout which the individual is resident in Canada is to be computed as though that part were the whole taxation year; and

(b) the individual is allowed

(i) under subsections 10(3) and (5), Sections 10H, 10I, 11, 12, 12A, 12B, 14, 15, 17 and 18 only the deductions that can reasonably be considered wholly applicable to the period or periods in the taxation year throughout which the individual is resident in Canada, computed as though that period or those periods were the whole taxation year, and

(ii) under subsections 10(1) and (2) and Sections 10B to 10G, 13 and 19, only such part of the deductions that can reasonably be considered applicable to the period or periods in the taxation year throughout which the individual is resident in Canada, computed as though that period or those periods were the whole taxation year.

(2) The amount deductible for the taxation year by the individual under each provision referred to in subsection (1) cannot exceed the amount that would have been deductible under that provision if the individual had been resident in Canada throughout the taxation year. 2007, c. 9, s. 16; 2008, c. 2, s. 14; 2009, c. 5, s. 16; 2017, c. 6, s. 14.

Ordering of credits

24 (1) In computing an individual's tax payable under this Part for a taxation year ending before January 1, 2018, the following provisions shall be applied in the following order: subsections 10(1), 10(5) and 10(2), Section 18, subsection 10(3), Sections 13, 12A, 17, 14 and 15, subsections 19(2) and 19(1), Sections 12, 12B, 11, 21, 35, 50, 38, 36, 37, 36A, 36B and 38A and subsection 50A(3).

(2) In computing an individual's tax payable under this Part, for the 2018 taxation year and subsequent taxation years, the following provisions shall be applied in the following order: subsections 10(1), 10(5) and 10(2), Section 18, subsection 10(3), Sections 10C, 10D, 10E, 10F, 13, 12A, 17, 14 and 15, subsections 19(2) and 19(1), Sections 12, 12B, 11, 21, 35, 50, 38, 36, 37, 37A, 37B, 36A, 36B and 38A, and subsection 50A(3). 2017, c. 6, s. 15; 2019, c. 16, s. 1.

Credits in separate returns

25 Where a separate return of income with respect to an individual is filed under subsection 70(2), 104(23) or 150(4) of the Federal Act for a particular period and another return of income under this Act with respect to the individual is filed for a period ending in the calendar year in which the particular period ends, for the purpose of computing the tax payable under this Act by the individual in those returns, the total of all deductions claimed in all those returns under any of subsection 10(3), Sections 10H and 11 to 18 and subsection 19(2) of this Act cannot exceed the total that could be deducted under each those provisions for the taxation year with respect to the individual if no separate returns were filed under subsections 70(2), 104(23) and 150(4) of the Federal Act. 2007, c. 9, s. 16; 2008, c. 2, s. 16; 2009, c. 5, s. 18; 2017, c. 6, s. 16.

Tax payable by non-resident

26 Subsections 10(1) to (3), Sections 10B to 10H, 12, 12B, 15 and 19 and Section 13 of this Act with respect to the application of subsections 118.3(2) and (3) of the Federal Act, do not apply for the purpose of computing the tax payable under this Act for a taxation year by an individual who at no time in the taxation year is resident in Canada unless all or substantially all of the individual's income for the year is included in computing the individual's taxable income earned in Canada for the year. 2007, c. 9, s. 16; 2008, c. 2, s. 17; 2009, c. 5, s. 19; 2017, c. 6, s. 17.

Credits in year of bankruptcy

27 Notwithstanding Sections 10 to 19, for the purpose of computing an individual's tax payable under this Part for a taxation year that ends in a calendar year in which the individual becomes bankrupt, the individual shall be allowed only

(a) such of the deductions as the individual is entitled to under subsections 10(3) and (5) and Sections 10H, 10I, 11, 12, 12A, 12B, 14, 15, 16, 17 and 18 as can reasonably be considered wholly applicable to the taxation year; and

(b) such part of the deductions as the individual is entitled to under Section 10, other than subsections 10(3) and (5), and Sections 10B to 10G, 13 and 19 as can reasonably be considered applicable to the taxation year,

except that the total of the amounts so deductible for all taxation years of the individual in the calendar year under any of those provisions shall not exceed the

amount that would have been deductible under that provision in respect of the calendar year if the individual had not become bankrupt. 2007, c. 9, s. 16; 2008, c. 2, s. 18; 2009, c. 5, s. 20; 2017, c. 6, s. 18.

Tax payable by inter vivos trust

28 **(1)** In this Section,

(a) "graduated rate estate" means a graduated rate estate as defined in subsection 248(1) of the Federal Act;

(b) "qualified disability trust" means a qualified disability trust as defined in subsection 122(3) of the Federal Act.

(2) The tax payable for a taxation year ending before January 1, 2016, by an *inter vivos* trust is the amount equal to the tax payable under subsection 122(1) of the Federal Act, except that the reference to "29%", or to the amount that it is amended to read, shall be read, for the purpose of this Act, as a reference to the "highest percentage".

(3) The tax payable for a taxation year ending after December 31, 2015, by any trust, other than a graduated rate estate or qualified disability trust, is the total of

(a) 21% of the amount taxable for the taxation year; and

(b) where subsection 122(2) of the Federal Act applies to the trust for the taxation year, the amount equal to the amount that would be determined under paragraph 122(1)(c) of the Federal Act, except that the reference to "29%", or to the amount that it is amended to read, shall be read, for the purpose of this Act, as a reference to the "highest percentage". 2016, c. 2, s. 3.

Where individual bankrupt

29 Subsection 128(2) of the Federal Act applies for the purpose of this Act except that, in addition to any other necessary modifications required for this Act, that subsection is to be read as if, in addition to the deductions referred to in clauses (A) to (C) of paragraph 128(2)(e)(iii), that provision included a reference to the deductions under subsection 10(5) and Sections 10I and 12A of this Act. 2007, c. 9, s. 16; 2017, c. 6, s. 19.

Subdivision e - Other Taxes Payable

Tax on split income

30 Section 120.4 of the Federal Act applies for the purposes of this Act, except that

(a) the percentage set out in subsection 120.4(2) of the Federal Act shall be read, for the purposes of this Act, as a reference to the "highest percentage"; and

(b) references to "Canada" in the definitions of "source individual" and "specified individual" shall be read as "Canada" notwithstanding clause 2(10)(j) of this Act. 2025, c. 6, s. 32.

Minimum tax

31 If an individual is required to pay tax under section 127.5 of the Federal Act in respect of a taxation year, there shall be added to the individual's tax payable under this Part for the taxation year an amount determined by the formula

$$A \times B$$

where

A is the provincial percentage; and

B is the individual's additional tax for the taxation year determined pursuant to subsection 120.2(3) of the Federal Act. 2000, c. 4, s. 61.

Subdivision f - Multi-jurisdictional and Non-resident Individuals

Where income earned outside Province

32 Notwithstanding subdivisions a to e, the tax payable under subdivisions a to e for a taxation year by an individual

(a) who resided in the Province on the last day of the taxation year but had income earned in the taxation year outside the Province; or

(b) who did not reside in the Province on the last day of the taxation year but had income earned in the taxation year in the Province,

shall be the amount determined by the formula

$$A \times B/C$$

where

A is the tax otherwise payable by the individual under subdivisions a to e;

B is the individual's income earned in the taxation year in the Province; and

C is the individual's income for the year. 2000, c. 4, s. 61.

Restriction on tax credits where out-of-Province income

32A Where an individual resided in the Province on the last day of a taxation year but had income earned in the taxation year outside the Province, the individual may deduct from the amount of tax otherwise payable for the taxation year as determined under Section 32 an amount determined by the formula

$$A \times B/C$$

where

A is the total of all amounts each of which is deductible under subsections 10(3) and (5) and Sections 10H, 10I, 12A, 21 or 22 by the individual for the taxation year;

B is the individual's income earned in the taxation year outside the Province; and

C is the individual's income for the year. 2005, c. 6, s. 14; 2007, c. 9, s. 17; 2017, c. 6, s. 20.

Subdivision g - Surtax

33 *repealed 2024, c. 3, s. 63*.

Subdivision h - Foreign Tax Deduction

Foreign tax deduction

34 (1) Where an individual resided in the Province on the last day of a taxation year and had income for the year that included income earned in a country other than Canada in respect of which non-business-income tax was paid by the individual to the government of a country other than Canada, the individual may deduct from the tax payable by the individual under this Act for that taxation year an amount equal to the lesser of

(a) the amount, if any, by which any non-business-income tax paid by the individual for the year to the government of such other country exceeds

(i) if section 127.5 of the Federal Act does not apply to the individual for the taxation year, the amount deductible from the individual's tax payable under Part I of the Federal Act for that year pursuant to subsection 126(1) of the Federal Act in respect of any non-business-income tax paid to the government of such other country, or

(ii) if section 127.5 of the Federal Act applies to the individual for the taxation year, the amount of the individual's special foreign tax credit for the year determined under section 127.54 of the Federal Act that is in respect of any non-business-income tax paid to the government of such other country; and

(b) that proportion of the tax otherwise payable under this Act for that taxation year that

(i) the amount, if any, by which the total of the individual's qualifying incomes exceeds the total of the individual's qualifying losses

(A) for the year, if the individual is resident in Canada throughout the year, and

(B) for the part of the year throughout which the individual is resident in Canada, if the individual is non-resident at any time of the year,

from sources in that country, on the assumption that

(C) no businesses were carried on by the individual in that country,

(D) no amount was deducted under subsection 91(5) of the Federal Act in computing the individual's income for the year, and

(E) the individual's income from employment in that country was not from a source in that country to the extent of the lesser of the amounts deter-

mined in respect thereof under paragraphs 122.3(1)(c) and (d) of the Federal Act for the year,

is of

(ii) the amount, if any, by which,

(A) if the individual was resident in Canada throughout the year, the individual's income earned in the year in the Province computed without reference to paragraph 20(1)(ww) of the Federal Act, and

(B) if the individual was non-resident at any time in the year, the individual's income earned in the year in the Province that is included in the amount determined under paragraph 114(a) of the Federal Act in respect of the individual for the year,

exceeds

(C) the amount in subclause 126(1)(b)(ii)(A)(III) of the Federal Act.

(2) For the purpose of subsection (1) and clause 43(b), the non-business-income tax paid by a taxpayer to the government of a country other than Canada in respect of the taxpayer's income for a taxation year is the non-business-income tax paid by the taxpayer to the government of that country in respect of that year as determined under the definition "non-business-income tax" in subsection 126(7) of the Federal Act.

(3) For the purpose of this Section and Section 43,

(a) the government of a country other than Canada includes the government of a state, province or other political subdivision of that country;

(b) where a taxpayer's income for a taxation year is in whole or in part from sources in more than one country other than Canada, subsection 34(1) and Section 43 shall be read as providing for separate deductions in respect of each of the countries other than Canada; and

(c) if any income from a source in a particular country would be tax-exempt income but for the fact that a portion of the income is subject to an income or profits tax imposed by the government of a country other than Canada, the portion is deemed to be income from a separate source in the particular country.

(4) For the purpose of this Section and Section 43, the definitions of "qualifying incomes", "qualifying losses" and "tax-exempt income" in subsection 126(7) of the Federal Act apply. 2003, c. 4, s. 18; 2026, c. 3, s. 61.

Subdivision i - Low Income Tax Reduction

Low income deduction

35 **(1)** In this Section,

(a) "adjusted income" of an individual for a taxation year commencing after December 31, 2017, means the total of all amounts each of which would be the income for the year of the individual or the individual's qualified relation for the year both calculated as if no amount were

(i) included under paragraph 56(1)(q.1) or subsection 56(6) of the Federal Act, in respect of any gain from a disposition of property to which section 79 of the Federal Act applies, or in respect of a gain described in subsection 40(3.21) of the Federal Act, or

(ii) deductible under paragraph 20(1)(ww) or 60(y) or (z) of the Federal Act,

in computing that income;[;]

(b) "eligible individual", for a taxation year, means an individual, other than a trust, who is resident in the Province on December 31st of the taxation year and includes an individual who died in the taxation year and was a resident of the Province on the day of death, and is

(i) married or in a common-law partnership,

(ii) a parent of a child, or

(iii) nineteen years of age or over;

(c) "qualified dependant" of an individual for a taxation year means a person who is

(i) a person in respect of whom the individual or the individual's qualified relation for the year is the only person who deducts an amount under Sections 10 or 10B to 10I for the year, or

(ii) a child of the individual residing with the individual at the end of the year,

and who is not

(iii) an eligible individual for the year,

(iv) the qualified relation of an individual for the year, or

(v) a person in respect of whom an amount is deemed under this Section to be paid by any other individual for the year;

(d) "qualified relation" of an individual for a taxation year means the person who, at the end of the year, is the individual's cohabiting spouse or common-law partner, within the meaning assigned by section 122.6 of the Federal Act, and includes a cohabiting spouse or common-law partner who died during the taxation year and who was resident in the Province on his or her day of death.

(2) For the purpose of this Section, the income of a person who is non-resident at any time in a taxation year is deemed to be equal to the amount that would, if the person were resident in Canada throughout the year, be the person's income for the year.

(3) Notwithstanding subsection (1), a person is deemed not to be an eligible individual for a taxation year or a qualified relation or qualified dependant of an individual for a taxation year where the person

(a) is, at the end of the year, a person described in paragraph 149(1)(a) or (b) of the Federal Act; or

(b) is, at the end of the year, confined to a prison or similar institution and has been so confined for a period of, or periods the total of which in the year was more than, six months.

(4) Subject to subsection (5), where an eligible individual for a taxation year files with the individual's return of income, other than a return filed under paragraph 128(2)(e) of the Federal Act, under this Act for the year a prescribed form, containing prescribed information, the amount, if any, by which the total of

(a) $300;

(b) $300 for a person who is the qualified relation of the individual for the year;

(c) $300, if the individual has no qualified relation for the year and is entitled to deduct an amount for the year under subsection 118(1) of the Federal Act by reason of paragraph (b) thereof in respect of a qualified dependant of the individual for the year; and

(d) the product obtained when $165 is multiplied by the number of qualified dependants of the individual for the year, other than a qualified dependant in respect of whom an amount is included by reason of clause (c) in computing an amount deemed to be paid pursuant to this subsection for the year,

exceeds

(e) 5% of the amount, if any, by which

(i) the individual's adjusted income for the year,

exceeds

(ii) $15,000,

may be deducted from tax otherwise payable under Sections 7 to 34 for a taxation year.

(5) Notwithstanding subsection (4), where an individual is a qualified relation of another individual for a taxation year, only one of those individuals may apply under subsection (4) for the year.

(6) The Governor in Council may make regulations adjusting annually the dollar amounts set out in subsection (4). 2005, c. 6, s. 15; 2006, c. 2, s. 23; 2007, c. 9, s. 18; 2008, c. 2, s. 19; 2011, c. 8, s. 8; 2017, c. 6, s. 21; 2025, c. 6, s. 33.

Regulations

35A The Governor in Council may make regulations

(a) defining a credit for recipients of the Guaranteed Income Supplement;

(b) prescribing the eligibility criteria and payment amounts for the credit for recipients of the Guaranteed Income Supplement;

(c) prescribing anything necessary or advisable to enable His Majesty in right of Canada to administer, on behalf of His Majesty in right of the Province, the credit for recipients of the Guaranteed Income Supplement. 2010, c. 3, s. 6.

Subdivision j - Nova Scotia
Post-Secondary Graduate Tax Credit

Post-secondary graduate tax credit

36 (1) In this Section,

(a) "approved institution" means

(i) an institution of learning designated from time to time pursuant to subsection 3(1) of the *Canada Student Financial Assistance Act*,

(ii) a specified educational institution within the meaning of the *Canada Student Loans Act*, or

(iii) such other institution of learning as may be prescribed by regulations;

(b) "eligible taxation year" means the year an individual graduates from an approved institution and the two taxation years immediately following;

(c) "program of studies" means a program of studies as defined by the *Canada Financial Assistance Regulations*;

(d) "proof of graduation" means

(i) a certified copy of the individual's certificate of completion or diploma from the approved institution certified by a person authorized by the approved institution to make certifications,

(ii) a letter from the approved institution signed by a person authorized to confirm such information by the approved institution confirming the successful completion, or graduation, from a program of studies at the institution by the individual, or

(iii) such other documentation satisfactory to the Minister of Finance.

(2) Subject to subsection (3), an individual may deduct from tax otherwise payable pursuant to this Act in an eligible taxation year

(a) an amount not exceeding the aggregate amount of $1,000 if the individual graduates from an approved institution in the year 2007; or

(b) an amount not exceeding the aggregate amount of $2,000 if the individual graduates from an approved institution after December 31, 2007, and before January 1, 2009.

(3) An individual may claim a deduction pursuant to this Section if the individual

(a) other than an individual that is a trust, was resident in the Province on December 31st of the taxation year, and includes an individual who died in the taxation year and was a resident of the Province on the day of death;

(b) provides proof of graduation from an approved institution for a taxation year after 2006; and

(c) files proof of graduation for the eligible taxation year with the individual's annual return for the taxation years in respect of which the deduction is claimed.

(4) An individual is not entitled to claim the deduction referred to in this Section if the individual completed a program of studies at an approved institution since 2006 and has previously received the deduction under this Section or Section 17A.

(5) No amount may be deducted pursuant to this Section on a separate return of income filed pursuant to subsection 70(2) or 150(4), paragraph 104(23)(d) or paragraph 128(2)(e) of the Federal Act.

(6) For the purpose of computing an individual's deduction under this Section for a taxation year that ends in a calendar year in which the individual becomes bankrupt, the total of the amounts deductible for all taxation years of the individual in the calendar year under this Section cannot exceed the amount that would have been deductible under this Section with respect to the calendar year if the individual had not become bankrupt.

(7) The Governor in Council may make regulations

(a) respecting criteria or requirements for a program of studies at a post-secondary level at an approved institution;

(b) designating approved institutions;

(c) respecting such other requirements for documentation as proof of graduation;

(d) defining, expanding or restricting the meaning of any word or expression used but not defined in this Section;

(e) respecting any other matter that the Governor in Council considers necessary or advisable to carry out effectively the intent and purpose of this Section.

(8) A regulation made pursuant to this Section may be made retroactive to a day not earlier than January 1, 2007. 2007, c. 9, s. 19; 2009, c. 5, s. 21.

Subdivision ja - Nova Scotia
Post-Secondary Graduate Retention Rebate

Post-secondary graduate retention rebate

36A (1) In this Section,

(a) "certificate" means a certificate issued to an individual by an eligible institution upon successful completion of a program of studies;

(b) "degree" means any recognition in writing of academic achievement that is called a degree, and includes the degrees of bachelor, master and doctorate;

(c) "diploma" means a diploma issued to an individual by an eligible institution upon successful completion of a program of studies;

(d) "eligible institution" means

(i) an institution of learning designated from time to time pursuant to subsection 3(1) of the *Canada Student Financial Assistance Act*,

(ii) a specified educational institution within the meaning of the *Canada Student Loans Act*, or

(iii) such other institution of learning as may be prescribed by regulation;

(e) "program of studies" means a program of studies as defined in the *Canada Financial Assistance Regulations*;

(f) "proof of graduation" means

(i) a certified copy of an individual's degree, diploma or certificate from an eligible institution certified by a person authorized by the eligible institution to make certifications,

(ii) a letter from an eligible institution signed by a person authorized to confirm such information by the eligible institution confirming the graduation from a post-secondary program of studies at the eligible institution by an individual, or

(iii) such other documentation satisfactory to the Minister of Finance.

(2) Subject to subsections (3), (6), (7) and (8), after December 31, 2008, and before January 1, 2014, an individual graduating with a degree from an eligible institution after December 31, 2008, and before January 1, 2014, may deduct from tax otherwise payable pursuant to this Act

(a) an amount not exceeding the aggregate amount of $2,500 in the taxation year that is the year of graduation;

(b) an amount not exceeding the aggregate amount of $2,500 in the first taxation year immediately following the year of graduation;

(c) an amount not exceeding the aggregate amount of $2,500 in the second taxation year immediately following the year of graduation;

(d) an amount not exceeding the aggregate amount of $2,500 in the third taxation year immediately following the year of graduation; and

(e) an amount not exceeding the aggregate amount of $2,500 in the fourth taxation year immediately following the year of graduation.

(f) *repealed 2014, c. 6, s. 3.*

(3) The total amount of all deductions to which an individual graduating with a degree is entitled pursuant to this Section shall not exceed $12,500 in the individual's lifetime.

(4) Subject to subsections (5), (6), (7) and (8), after December 31, 2008, and before January 1, 2014, an individual graduating with a diploma or certificate from an eligible institution after December 31, 2008, and before January 1, 2014, may deduct from tax otherwise payable pursuant to this Act

(a) an amount not exceeding the aggregate amount of $1,250 in the taxation year that is the year of graduation;

(b) an amount not exceeding the aggregate amount of $1,250 in the first taxation year immediately following the year of graduation;

(c) an amount not exceeding the aggregate amount of $1,250 in the second taxation year immediately following the year of graduation;

(d) an amount not exceeding the aggregate amount of $1,250 in the third taxation year immediately following the year of graduation; and

(e) an amount not exceeding the aggregate amount of $1,250 in the fourth taxation year immediately following the year of graduation.

(f) *repealed 2014, c. 6, s. 3.*

(5) The total amount of all deductions to which an individual graduating with a diploma or certificate is entitled pursuant to this Section shall not exceed $6,250 in the individual's lifetime.

(6) An individual may claim a deduction pursuant to this Section if the individual

(a) other than an individual that is a trust, was resident in the Province on December 31st of the taxation year, and includes an individual who died in the taxation year and was a resident of the Province on the day of death; and

(b) provides proof of graduation from an eligible institution for a taxation year after December 31, 2008.

(7) No amount may be deducted pursuant to this Section on a separate return of income filed pursuant to subsection 70(2) or 150(4), paragraph 104(23)(d) or paragraph 128(2)(e) of the Federal Act.

(8) Notwithstanding anything contained in this Section, the total amount of all deductions to which an individual is entitled pursuant to this Section shall not exceed $12,500 in the individual's lifetime.

(9) The Governor in Council may make regulations

(a) designating eligible institutions;

(b) respecting such other requirements for documentation as proof of graduation;

(c) defining, expanding or restricting the meaning of any word or expression used but not defined in this Section;

(d) respecting any other matter that the Governor in Council considers necessary or advisable to carry out effectively the intent and purpose of this Section.

(10) A regulation made pursuant to this Section may be made retroactive to a day not earlier than January 1, 2009. 2009, c. 5, s. 22; 2014, c. 6, s. 3.

Subdivision jb - Age Tax Credit for Low Income Seniors

Age tax credit

36B (1) Subject to subsection (2), an individual may deduct from tax otherwise payable pursuant to this Act the amount of $1,000 for the 2014 and subsequent taxation years.

(2) An individual may claim a deduction pursuant to this Section if the individual

(a) other than an individual that is a trust, was resident in the Province on December 31st of the taxation year, and includes an individual who died in the taxation year and was a resident of the Province on the day of death;

(b) attained the age of sixty-five years on or before December 31st of the taxation year; and

(c) had a taxable income or taxable income earned in Canada of less than $24,000 for the taxation year.

(3) No amount may be deducted pursuant to this Section on a separate return of income filed pursuant to subsection 70(2) or 150(4) or paragraph 104(23)(d) or 128(2)(e) of the Federal Act. 2013, c. 3, s. 7.

Subdivision k - Equity Tax Credits

Equity tax credit

37 (1) In this Section,

(a) "equity tax credit" means a credit in respect of a tax-credit certificate issued to a taxpayer pursuant to subsection 8(2) of the *Equity Tax Credit Act*;

(b) "tax otherwise payable" means the amount that would, but for this Section, be the tax otherwise payable pursuant to this Act.

(2) Where, in respect of a taxation year, a taxpayer has been issued a tax-credit certificate pursuant to subsection 8(2) of the *Equity Tax Credit Act*, there shall be deducted from the tax otherwise payable by that taxpayer pursuant to this Part in respect of that taxation year the lesser of

(a) the aggregate of the equity tax credit and any amount referred to in clauses (5)(c) or (d); or

(b) $17,500.

(3) A taxpayer who is entitled to a deduction pursuant to this Section shall file, with the taxpayer's annual return for any taxation year in respect of which a deduction is claimed pursuant to this Section, a copy of the tax-credit certificate.

(4) Notwithstanding Section 51 and subsection 62(1), a taxpayer is not entitled to a deduction pursuant to this Section unless the taxpayer files a return within three years after the end of the taxation year to which the deduction pertains.

(5) Where a taxpayer

(a) has been issued a tax-credit certificate pursuant to subsection 8(2) of the *Equity Tax Credit Act*; and

(b) the amount of the equity tax credit exceeds the amount of tax payable by that taxpayer for the taxation year,

the taxpayer may

(c) carry back and deduct any unused balance of the equity tax credit from tax otherwise payable by the taxpayer in any one or more of the taxpayer's three previous taxation years if, in any taxation year the equity tax credit is carried back, the total equity tax credit deducted from tax otherwise payable does not exceed the amount in clause (2)(b) that was applicable for that taxation year; or

(d) carry forward and deduct any unused balance of the equity tax credit from tax otherwise payable by the taxpayer in any one or more of the taxpayer's seven subsequent taxation years if, in any taxation year the equity tax credit is carried forward, the total equity tax credit deducted from tax otherwise payable does not exceed the amount in clause (2)(b) that is applicable for that taxation year.

(6) For greater certainty, subsection 9(2) of the *Equity Tax Credit Act* applies for the purpose of this Section. 2000, c. 4, s. 61; 2003, c. 4, s. 19; 2005, c. 6, s. 16; 2006, c. 2, s. 24; 2009, c. 5, s. 23.

Innovation equity tax credit

37A (1) In this Section,

(a) "approved corporation" means a corporation approved under subsection (3);

(b) "eligible corporation" means a corporation that satisfies the criteria prescribed by the regulations;

(c) "eligible investment" means an investment made by an eligible investor that satisfies the criteria prescribed by the regulations;

(d) "eligible investor" means an individual or corporation resident in Nova Scotia who satisfies the criteria prescribed by the regulations;

(e) "innovation equity tax credit" means, in respect of a taxation year, the amount of an eligible investment made in the taxation year multiplied by the innovation equity tax credit rate;

(f) "innovation equity tax-credit rate" means the rate prescribed by the regulations that applies to the eligible investor;

(g) "maximum eligible investment" means the amount prescribed by the regulations that applies to the eligible investor;

(h) "prohibited purpose" means a purpose prescribed by the regulations as being a prohibited purpose;

(i) "specified issue" means an issue of shares that satisfies the criteria prescribed by the regulations;

(j) "tax-credit certificate" means a certificate entitling an eligible investor to a deduction under this Section.

(2) A corporation that intends to make a specified issue may apply to the Minister of Finance and Treasury Board for the Province to be approved under subsection (3).

(3) Where the Minister of Finance and Treasury Board for the Province is satisfied that

(a) a corporation that has applied to be approved is an eligible corporation;

(b) the specified issue in respect of which the application was made complies with the *Securities Act*;

(c) the funds to be raised will not be used for a prohibited purpose; and

(d) the corporation has satisfied any requirements prescribed by the regulations,

the Minister of Finance and Treasury Board for the Province shall approve the corporation.

(4) The Minister of Finance and Treasury Board for the Province may impose upon an approved corporation any conditions that the Minister of Finance and Treasury Board for the Province considers appropriate.

(5) The Minister of Finance and Treasury Board for the Province may cancel the approval under subsection (3) of a corporation

(a) in the event that the corporation breaches a condition imposed upon it under subsection (4); or

(b) in the circumstances prescribed by the regulations.

(6) Where an approved corporation has made a specified issue, the approved corporation may apply to the Minister of Finance and Treasury Board for the Province, in the manner and within the time prescribed by the regulations, for a tax-credit certificate entitling each eligible investor who has made an eligible investment to a deduction under this Section.

(7) The Minister of Finance and Treasury Board for the Province may not issue a tax-credit certificate if, in the opinion of the Minister of Finance and Treasury Board for the Province, the specified issue or eligible investment to which the tax-credit certificate relates is an avoidance transaction as defined in Section 80A.

(8) Where, in respect of a taxation year, an eligible investor has been issued a tax-credit certificate, the eligible investor may deduct from the tax otherwise payable under this Act for the taxation year an amount not exceeding the lesser of

(a) the aggregate of the innovation equity tax credit and any amount eligible for deduction under subsection (9); and

(b) the maximum eligible investment multiplied by the innovation equity tax-credit rate.

(9) Where an eligible investor has been issued a tax-credit certificate and the amount of the innovation equity tax credit exceeds the amount of tax payable by the eligible investor for the taxation year, the eligible investor may

(a) carry back and deduct any unused balance of the innovation equity tax credit from tax otherwise payable by the eligible investor in any one or more of the eligible investor's three previous taxation years that end after April 1, 2019; or

(b) carry forward and deduct any unused balance of the innovation equity tax credit from tax otherwise payable by the eligible investor in any one or more of the eligible investor's seven subsequent taxation years,

if, in the taxation year to which the unused balance is carried back or forward, the aggregate amount deducted from tax otherwise payable does not exceed the product, for that taxation year, of the maximum eligible investment multiplied by the innovation equity tax-credit rate.

(10) An eligible investor who has made a deduction under this Section is liable, in the circumstances prescribed by the regulations, to pay to the Minister of Finance and Treasury Board for the Province an amount equal to the deduction.

(11) A corporation is jointly and severally liable, in the circumstances prescribed by the regulations, to pay to the Minister of Finance and Treasury Board an amount equal to deductions made by eligible investors in respect of the corporation.

(12) This Section applies with respect to eligible investments made by individuals after December 31, 2018, and before March 2, 2029.

(12A) This Section applies with respect to eligible investments made by corporations on or after April 1, 2019 and before March 2, 2029.

(13) The Minister of Finance and Treasury Board for the Province shall conduct or cause to be conducted a review of the tax credit established by this Section on or after December 31, 2022, and prepare a written report of the results of the review no later than December 31, 2023.

(14) The Minister of Finance and Treasury Board for the Province shall table the report referred to in subsection (10) in the Assembly if the Assembly is then sitting or, where the Assembly is not then sitting, file the report with the Clerk of the Assembly.

(15) The Governor in Council may make regulations

(a) prescribing the criteria that a corporation must satisfy to be an eligible corporation;

(b) prescribing the criteria that an investment must satisfy to be an eligible investment;

(c) prescribing the criteria that an investor must satisfy to be an eligible investor;

(d) prescribing the innovation equity tax-credit rate for individuals and the innovation equity tax-credit rate for corporations;

(e) prescribing the maximum eligible investment for eligible investors that are individuals and the maximum eligible investment for eligible investors that are corporations;

(f) prescribing purposes as being prohibited purposes;

(g) prescribing the criteria that an issue of shares must satisfy to be a specified issue;

(h) prescribing requirements a corporation must satisfy to be eligible to be approved under subsection (3);

(i) prescribing the circumstances in which the Minister of Finance and Treasury Board for the Province may, under subsection (5), cancel the approval of a corporation;

(j) prescribing the manner in which and the time within which an approved corporation may apply for a tax-credit certificate;

(k) prescribing the circumstances in which an eligible investor who has made a deduction under this Section is liable to pay to the Minister of Finance and Treasury Board for the Province an amount equal to the deduction;

(l) prescribing the circumstances in which a corporation is jointly and severally liable for any liability incurred by an eligible investor under subsection (10) for a deduction made by the eligible investor in respect of the corporation;

(la) prescribing penalties for failure to comply with this Section or the regulations.[;]

(m) defining any word or expression used but not defined in this Section;

(n) respecting any matter or thing the Governor in Council considers necessary or advisable to effectively carry out the intent and purpose of this Section.

(16) A regulation made pursuant to this Section may be made retroactive to a day not earlier than January 1, 2019. 2018, c. 4, s. 13; 2019, c. 16, s. 2; 2024, c. 3, s. 64; 2025, c. 6, s. 34.

Venture capital tax credit

37B (1) In this Section,

(a) "annual maximum venture capital tax credit" means the aggregate amount shown on all venture capital tax-credit certificates issued for a period as prescribed by the regulations;

(b) "eligible investment" means an investment made in a qualifying venture capital fund by an eligible investor that satisfies the criteria established by the regulations;

(c) "eligible investor" means an individual or a corporation who invests in a qualifying venture capital fund and satisfies the criteria established by the regulations;

(d) "maximum eligible investment" means the amount prescribed by the regulations;

(e) "qualifying venture capital fund" means a corporation or limited partnership with its head office in the Province that satisfies the conditions established by the regulations and has been registered under subsection (4);

(f) "venture capital tax credit" means, in respect of a taxation year for an eligible investor, 15% of the amount of the eligible investment made in a qualifying venture capital fund

(i) in the then current calendar year or 60 days immediately following that calendar year where the eligible investor is an individual, or

(ii) in the then current taxation year where the eligible investor is a corporation.

(2) For the purpose of this Section and the regulations, "Minister of Finance and Treasury Board of the Province" includes a person designated by the Minister of Finance and Treasury Board of the Province.

(3) A corporation or a limited partnership may apply, in the manner established by the regulations, to be registered as a qualifying venture capital fund.

(4) The Minister of Finance and Treasury Board of the Province may, in the Minister's discretion, register a corporation or a limited partnership as a qualifying venture capital fund if the Minister of Finance and Treasury Board of the Province is satisfied that the applicant meets the requirements established by the regulations.

(5) Where the Minister of Finance and Treasury Board of the Province accepts an application for registration, the Minister of Finance and Treasury Board of the Province shall issue a certificate of registration to that effect, and the applicant is considered to be registered on the date of the certificate of registration.

(6) The Minister of Finance and Treasury Board of the Province may revoke the certificate of registration of a corporation or limited partnership in the circumstances established by the regulations.

(7) A tax-credit certificate that is revoked by the Minister of Finance and Treasury Board of the Province is considered never to have been issued.

(8) A qualifying venture capital fund that intends to raise equity capital and apply for tax-credit certificates on behalf of its eligible investors shall apply to the Minister of Finance and Treasury Board of the Province and the Minister of Finance and Treasury Board of the Province may approve the raising of equity capital subject to any conditions that the Minister of Finance and Treasury Board of the Province may determine or that are established by the regulations.

(9) A qualifying venture capital fund that has made a raise of equity capital that was approved under subsection (8) may, on behalf of its eligible investors, apply to the Minister of Finance and Treasury Board of the Province in the manner and in the time prescribed by the regulations for a tax-credit certificate entitling each of the eligible investors who has made an eligible investment to a deduction under this Section.

(10) Where, in respect of a taxation year, an eligible investor has been issued a tax-credit certificate, the eligible investor may deduct from the tax otherwise payable under this Act for the taxation year an amount not exceeding the lesser of

(a) the aggregate of the venture capital tax credit and any amount eligible for deduction under subsection (11); and

(b) the maximum eligible investment multiplied by 15%.

(11) Where an eligible investor has been issued a tax-credit certificate and the amount of the venture capital tax credit exceeds the amount of tax payable by the eligible investor for the taxation year, the eligible investor may

(a) carry forward and deduct any unused balance of the venture capital tax credit from tax otherwise payable by the eligible investor in any one or more of the eligible investor's seven subsequent taxation years; or

(b) carry back and deduct any unused balance of the venture capital tax credit from tax otherwise payable by the eligible investor in any one or more of the eligible investor's three previous taxation years that end on or after April 1, 2019

if, in the taxation year to which the unused balance is carried back or forward, the aggregate amount deducted from tax otherwise payable does not exceed the product, for that taxation year, of the maximum eligible investment multiplied by 15%.

(12) Where in any year the Minister of Finance and Treasury Board of the Province considers that the total amount paid under subsections (10) and (11) will be greater than the annual maximum venture capital tax credit,

(a) the Minister of Finance and Treasury Board of the Province shall suspend further registrations of applicants as qualifying venture capital funds under subsection (4) for that year; and

(b) the Minister of Finance and Treasury Board of the Province may not approve, for the remainder of that year, the raising of additional equity capital under subsection (8).

(13) The Minister of Finance and Treasury Board for the Province may not register an applicant under subsection (4) or approve the raising of equity capital under subsection (8) if the registration or approval would be, in the opinion of the Minister of Finance and Treasury Board for the Province, contrary to the spirit and intent of the Act.

(14) The Minister of Finance and Treasury Board for the Province may not issue a tax-credit certificate if, in the opinion of the Minister of Finance and Treasury Board for the Province, the eligible investment to which the tax-credit certificate relates is an avoidance transaction as defined in Section 80A.

(15) This Section applies with respect to eligible investments made after March 31, 2019, and before March 31, 2029.

(16) The Minister of Finance and Treasury Board for the Province shall conduct or cause to be conducted, no later than March 31, 2022, a review of the tax credit established by this Section and prepare a written report of the results of the review no later than March 31, 2023.

(17) The Minister of Finance and Treasury Board for the Province shall table the report referred to in subsection (16) in the Assembly if the Assembly is then sitting or, where the Assembly is not then sitting, file the report with the Clerk of the Assembly.

(18) The Governor in Council may make regulations

(a) establishing the criteria for determining

(i) who is an eligible investor in a qualifying venture capital fund, and

(ii) what is an eligible investment in a qualifying venture capital fund;

(b) establishing the criteria that a qualifying venture capital fund must meet in order to be registered under subsection (4);

(c) establishing the criteria that a qualifying venture capital fund must meet to be approved to raise equity capital under subsection (8);

(d) respecting how funds may be used by a qualifying venture capital fund;

(e) respecting how and when funds from an equity capital raise that was approved under subsection (8) must be invested by a qualifying venture capital fund;

(f) respecting the holding period of an eligible investment;

(g) respecting the registration of qualifying venture capital funds and the grounds for revoking registrations;

(h) prescribing the manner and the time within which an applicant may apply for a tax-credit certificate;

(i) establishing the circumstances in which an eligible investor who has made a deduction under this Section is liable to pay to the Minister of Finance and Treasury Board for the Province an amount equal to the deduction;

(j) establishing the circumstances in which a qualifying venture capital fund or its general partner is jointly and severally liable for any liability incurred by an eligible investor for a deduction made by the eligible investor in respect of the qualifying venture capital fund;

(k) prescribing the amount of the annual maximum venture capital tax credit and the period to which the amount applies;

(l) prescribing the maximum eligible investment amount;

(m) establishing penalties for failure to comply with this Section or the regulations;

(n) requiring a corporation or limited partnership to supply information or documents respecting any matter required in assessing eligibility and compliance with this Section or the regulations;

(o) defining any word or expression used but not defined in this Section;

(p) respecting any matter or thing the Governor in Council considers advisable or necessary to effectively carry out the intent and purpose of this Section.

(19) A regulation made pursuant to this Section may be made retroactive to a date not earlier than April 1, 2019. 2019, c. 16, s. 3; 2024, c. 3, s. 65.

Labour-sponsored venture-capital tax credit

38 (1) In this Section,

(a) "labour-sponsored venture-capital tax credit" means a credit in respect of a tax-credit certificate issued to a taxpayer pursuant to subsection 18(2) of the *Equity Tax Credit Act*;

(b) "tax otherwise payable" means the amount that would, but for this ection, be the tax otherwise payable pursuant to this Act.

(2) Where, in respect of a taxation year, a taxpayer has been issued a tax-credit certificate pursuant to subsection 18(2) of the *Equity Tax Credit Act*, there shall be deducted from the tax otherwise payable by that taxpayer pursuant to this Part in respect of that taxation year the lesser of

(a) the labour-sponsored venture-capital tax credit; and

(b) either

(i) five hundred and twenty-five dollars for an investment made before January 1, 2005,

(ii) one thousand dollars for an investment made after December 31, 2004, and before a date prescribed by the Governor in Council, or

(iii) two thousand dollars for an investment made after the prescribed date.

(3) A taxpayer who is entitled to a deduction pursuant to this Section shall file, with the taxpayer's annual return for any taxation year in respect of which a deduction is claimed pursuant to this Section, a copy of the tax-credit certificate.

(4) Notwithstanding Section 51 and subsection 62(1), a taxpayer is not entitled to a deduction pursuant to this Section unless the taxpayer files a return

(a) within three years after the end of the taxation year to which the deduction pertains for eligible shares purchased on or before April 25, 1996; or

(b) within seven years after the end of the taxation year to which the deduction pertains for eligible shares purchased after April 25, 1996.

(5) For greater certainty, subsection 18A(2) of the *Equity Tax Credit Act* applies for the purpose of this Section.

(6) The Governor in Council may make regulations prescribing dates for the purpose of this Section.

(7) *repealed 2016, c. 2, s. 4.*

2000, c. 4, s. 61; 2004, c. 3, s. 27; 2005, c. 6, s. 17; 2007, c. 9, s. 20; 2016, c. 2, s. 4.

Subdivision ka - Volunteer Firefighter and Volunteer Ground Search and Rescue Worker Tax Credit

Volunteer firefighter and ground search and rescue tax credit

38A (1) In this Section,

(a) "fire chief" means the senior official within, and in charge of, a volunteer fire department;

(b) "fire services" means services by an individual, employee or contractor related to the prevention or suppression of fires;

(c) "volunteer fire department" means a volunteer fire department as defined in the regulations;

(d) "volunteer fire fighter" means a member of a volunteer fire department who meets the criteria set out in the regulations;

(e) "volunteer ground search and rescue worker" means a person who meets the criteria set out in the regulations.

(2) Subject to subsection (3) or (3A), an individual may deduct from tax otherwise payable under this Act the amount of

(a) $250 for the 2007 taxation year;

(b) $375 for the 2008 taxation year; and

(c) $500 for the 2009 and subsequent taxation years.

(3) An individual may claim a deduction pursuant to this Section if the individual

(a) other than an individual that is a trust, was resident in the Province on December 31st of the taxation year, and includes an individual who died in the taxation year and was a resident of the Province on the day of death;

(b) was a volunteer fire fighter for a minimum of six months during the period January 1st to December 31st in the taxation year in which the individual claims the deduction;

(c) has not received salary, wages or compensation or anything in lieu of salary, wages or compensation, other than reasonable reimbursement or allowance for expenses, from the volunteer fire department in respect of fire services provided to the volunteer fire department or their participation as a member of the volunteer fire department during the taxation year in which the individual claims the deduction;

(d) files with the individual's annual return for the taxation year in which the deduction is claimed documentation in a form satisfactory to the Minister; and

(e) is identified on a report filed by the fire chief of the volunteer fire department filed in accordance with this Section.

(3A) An individual may claim a deduction pursuant to this Section if the individual

(a) other than an individual that is a trust, was resident in the Province on December 31st of the taxation year, and includes an individual who died in the taxation year and was a resident of the Province on the day of death;

(b) was a volunteer ground search and rescue worker for a minimum of six months during the period January 1st to December 31st in the taxation year in which the individual claims the deduction;

(c) has not received salary, wages or compensation or anything in lieu of salary, wages or compensation, other than reasonable reimbursement or allowance for expenses, in respect of ground search and rescue services; and

(d) files with the individual's annual return for the taxation year in which the deduction is claimed documentation in a form satisfactory to the Minister.

(4) Every fire chief of a volunteer fire department shall file a report with the Minister on or before January 31st of each year containing the information required by the regulations.

(5) Subject to subsection (6), the Minister shall pay to an individual the amount, if any, by which the deduction to which the individual is entitled under this Section for a taxation year exceeds the individual's tax payable under this Act for the taxation year calculated without reference to this Section.

(6) Where an individual is liable or about to become liable to make a payment to His Majesty in right of Canada or His Majesty in right of the Province or another province of Canada, the Minister may apply all or part of the amount referred to in subsection (5) to pay that liability.

(7) No amount may be deducted pursuant to this Section on a separate return of income filed pursuant to subsection 70(2) or 150(4), paragraph 104(23)(d) or paragraph 128(2)(e) of the Federal Act.

(8) The Governor in Council may make regulations

(a) prescribing forms;

(b) respecting the information to be contained in the report to be filed by fire chiefs;

(c) defining any word or expression used but not defined in this Section;

(d) respecting any matter or thing that the Governor in Council considers necessary or advisable to carry out effectively the intent and purpose of this Section.

(9) A regulation made pursuant to this Section may be made retroactive in its operation to a date not earlier than January 1, 2007.

(10) *repealed 2016, c. 2, s. 4.*

2007, c. 9, s. 21; 2008, c. 2, ss. 20, 21; 2016, c. 2, s. 4.

Subdivision kb - Fertility and Surrogacy ~~Rebate~~ [Tax Credit]

Fertility and surrogacy tax credit

38B (1) For a taxation year ending after December 31, 2021, an individual may claim a tax credit for a fertility or surrogacy medical expense in the amount determined by the formula

$$A \times B$$

where

A is 40%; and

B is the least of

(a) $20,000;

(b) the total of all amounts each of which is an amount paid in the taxation year by the individual, or by the individual's spouse or common-law partner, that is a medical expense for

(i) fertility in respect of the individual or the individual's spouse or common-law partner, or

(ii) surrogacy to enable the individual to become a parent,

that has not otherwise been reimbursed; and

(c) zero, where a claim under this subsection for the taxation year has been made by the individual's spouse or common-law partner.

(2) The Governor in Council may make regulations

(a) defining any word or expression used in this Section;

(b) prescribing the eligibility criteria for the tax credit;

(c) respecting any other matter that the Governor in Council considers necessary or advisable to carry out effectively the intent and purpose of this Section.

(3) A regulation made pursuant to this Section may be made retroactive to a day not earlier than January 1, 2022. 2022, c. 35, s. 2.

Subdivision kc - Children's Sports and Arts Tax Credit

Children's sports and arts tax credit

38C (1) In this Section,

(a) "artistic, cultural, recreational or developmental activity" means a supervised activity, other than a physical activity, that is suitable for children and

(i) is intended to contribute to a child's ability to develop creative skills or expertise, acquire and apply knowledge, or improve dexterity or coordination, in an artistic or cultural discipline including

(A) literary arts,

(B) visual arts,

(C) performing arts,

(D) music,

(E) media,

(F) languages,

(G) customs, and

(H) heritage,

(ii) provides a substantial focus on wilderness and the natural environment,

(iii) assists with the development and use of intellectual skills, or

(iv) includes structured interaction among children where supervisors teach or assist children to develop interpersonal skills;

(b) "eligible expense" in respect of a qualifying child of an individual for a taxation year means the amount of a fee paid to a qualifying entity, other than an amount paid to a person who is, at the time the amount is paid, the individual's spouse or common-law part-

ner or another individual who is under the age of 18 years, to the extent that the fee is attributable to the cost of registration or membership of the qualifying child in an eligible program or membership in an eligible organization and, for this purpose, that cost

(i) includes the cost to the qualifying entity of the program in respect of its administration, instruction, rental of required facilities, and uniforms and equipment that are not available to be acquired by a participant in the program for an amount less than their fair market value at the time, if any, they are so acquired, and

(ii) does not include

(A) the cost of accommodation, travel, food or beverages,

(B) any amount deductible in computing any person's income for any taxation year, or

(C) any amount included in computing a deduction from any person's tax payable under any Part of this Act, for any taxation year;

(c) "eligible program" means a program of artistic, cultural, recreational or developmental activity or physical activity that is any of the following:

(i) a weekly program of a duration of six or more consecutive weeks in which all or substantially all of the activities include a significant amount of artistic, cultural, recreational or developmental activity or physical activity,

(ii) a program of a duration of five or more consecutive days in which more than 50% of the daily activities include a significant amount of artistic, cultural, recreational or developmental activity or physical activity,

(iii) a program of a duration of eight or more consecutive weeks offered to children by an organization in circumstances where a participant may select from a variety of activities offered as part of the program, and

(A) more than 50% of the activities offered to children include a significant amount of artistic, cultural, recreational or developmental activity or physical activity, or

(B) more than 50% of the time scheduled for the activities offered to children is for activities that include a significant amount of artistic, cultural, recreational or developmental activity or physical activity;

(d) "organization" means a club, association or similar organization;

(e) "physical activity" means a supervised activity suitable for children, other than an activity where a child rides on or in a motorized vehicle as an essential component of that activity, that

(i) in the case of a qualifying child in respect of whom an amount is deductible under section 118.3 of the Federal Act in computing any individual's income for the taxation year, results in movement and in an observable expenditure of energy in a recreational context, and

(ii) in the case of any other qualifying child, contributes to cardio-respiratory endurance and to one or more of the following:

(A) muscular strength,

(B) muscular endurance,

(C) flexibility,

(D) balance;

(f) "qualifying child" in respect of an individual for a taxation year means a child of the individual who is under 19 years of age at the end of the taxation year;

(g) "qualifying entity" means a person or partnership that offers one or more eligible programs of artistic, cultural, recreational or developmental activity or physical activity.

(2) An individual who

(a) is resident in the Province at the end of the taxation year;

(b) files a return of income for a taxation year; and

(c) makes a claim under this Section,

is considered to have paid, at the end of the year, on account of tax payable under this Section for the year, an amount equal to the amount determined by the formula

$$A \times B$$

where

A is the appropriate percentage for the year;

B is the total of all amounts each of which is, in respect of a qualifying child of the individual for the year, the lesser of $500 and the amount determined by the formula

$$C - D$$

where

C is the total of all amounts each of which is an amount paid in the taxation year by the individual, or by the individual's spouse or common-law partner, that is an eligible expense for an artistic, cultural, recreational or developmental activity or a physical activity in respect of the qualifying child of the individual; and

D is the total of all amounts that any individual is or was entitled to receive, each of which relates to an amount included in computing the value of C in respect of the qualifying child, that is the amount of a reimbursement, allowance or any other form of assistance, other than an amount that is included in computing the income for any tax-

ation year of that individual and that is not deductible in computing the taxable income of that individual.

(3) Where more than one individual is entitled to a deduction under subsection (2) in respect of the same qualifying child,

(a) the total of all amounts so deductible for the year shall not exceed the maximum amount that would be so deductible for the year by any one of those individuals for that qualifying child if that individual were the only individual entitled to deduct an amount for the year because of that subsection for the qualifying child; and

(b) where the individuals cannot agree as to what portion of the amount each can so deduct, the Minister may fix the portions.

(4) An individual who becomes bankrupt in a calendar year is entitled to claim, for each taxation year that ends in the calendar year, only the amounts that the individual is entitled to claim for the taxation year, except that the sum of all amounts that may be claimed under this Section for all taxation years of the individual ending in the calendar year shall not exceed the total amount that the individual would have been entitled to claim in respect of the calendar year if the individual had not become bankrupt.

(5) An individual who is resident in Canada for only part of a taxation year is entitled to claim for the year only the amount the individual would be entitled to claim for the year under this Section that can reasonably be considered wholly applicable to any period in the year throughout which the individual was resident in Canada, computed as though that period were the whole taxation year, except that the amount that may be claimed under this Section shall not exceed the amount that the individual would have been entitled to claim under this Section if the individual had been resident in Canada throughout the year.

(6) For the purpose of the definition of "physical activity", horseback riding is considered to be an activity that contributes to cardio-respiratory endurance and to one or more of muscular strength, muscular endurance, flexibility and balance.

(7) The Governor in Council may make regulations

(a) establishing criteria to define eligible programs and qualified entities;

(b) defining, expanding or restricting the meaning of any word or expression used but not defined in this Section;

(c) respecting any other matter that the Governor in Council considers necessary or advisable to carry out effectively the intent and purpose of this Section.

(8) A regulation made pursuant to this Section may be made retroactive to a day not earlier than January 1, 2022. 2022, c. 4, s. 3; 2024, c. 3, s. 66.

Subdivision l - Capital Gains Refund
to Mutual Fund Trust

Capital gains refund to mutual fund trust

39 (1) Where an amount is to be refunded to a trust in respect of a taxation year pursuant to section 132 of the Federal Act, the Minister shall, subject to subsection (2), at such time and in such manner as is provided in that section, refund to the trust an amount, in this Section referred to as its "capital gains refund" for the year, equal to the amount obtained by multiplying the provincial percentage for the year times the amount of the refund for the year calculated under subsection 132(1) of the Federal Act.

(2) For the purpose of computing the capital gains refund under subsection (1) for a trust in respect of a taxation year, where the trust had income earned in the taxation year outside the Province, the refund shall be that proportion of the capital gains refund for the year, otherwise determined under subsection (1), that the trust's income earned in the taxation year in the Province is of its income for the year.

(3) Instead of making a refund that might otherwise be made under subsection (1), the Minister may, where the trust is liable or about to become liable to make any payment under this Act, apply the amount that would otherwise be refunded to that other liability and notify the trust of that action. 2000, c. 4, s. 61; 2001, c. 3, s. 11; 2005, c. 6, s. 18.

DIVISION C - COMPUTATION OF TAX
FOR CORPORATIONS

Subdivision a - Computation of Tax

Tax payable by corporation

40 (1) The tax payable by a corporation under this Part for a taxation year is the corporation's taxable income earned in the year multiplied by the total of

(a) that proportion of 16% that the number of days in the taxation year that are before April 1, 2020, is of the number of days in the taxation year; and

(b) that proportion of 14% that the number of days in the taxation year that are on or after April 1, 2020, is of the number of days in the taxation year.

(2) Notwithstanding subsection (1), if in a taxation year a corporation is eligible for a deduction under subsection 125(1) of the Federal Act, the tax payable by that corporation under this Part for that taxation year is equal to the amount determined by the formula

$$(A \times B \times C/D) + (E \times (C - (B \times C/D)))$$

where

A is the rate of tax set out in subsection (7) that applies to the proportion that the number of days in the taxation year that are in the period is of the number of days in the taxation year;

B is the least of the amounts determined pursuant to paragraphs 125(1)(a), (b) and (c) of the Federal Act in respect of the corporation for the taxation year;

C is the corporation's taxable income earned in the year in the Province;

D is the corporation's taxable income earned in the year in a province; and

E is the rate applicable in subsection (1).

(3) For the purposes of this Division,

(a) "taxable income earned in the year in the Province" of a corporation means its taxable income earned in the year in the Province as determined in accordance with Federal Regulations made for the purposes of the definition "taxable income earned in the year in a province" in subsection 124(4) of the Federal Act; and

(b) "taxable income earned in the year in a province" is the amount determined for the corporation for the taxation year for the purposes of the definition "taxable income earned in the year in a province" in subsection 124(4) of the Federal Act.

(4) *repealed 2024, c. 3, s. 67.*

(5) *repealed 2025, c. 6, s. 35.*

(6) Notwithstanding subsection (5), the business limit otherwise determined under section 125 of the Federal Act shall be deemed for the purpose of subsection (2) to be

(a) $400,000 for the period commencing on April 1, 2006, and ending on December 31, 2013;

(b) $350,000 for the period commencing on January 1, 2014, and ending on December 31, 2016;

(c) $500,000 for the period commencing on January 1, 2017; and

(d) $700,000 for the period commencing on April 1, 2025.

(7) For the purpose of subsection (2), the rate of tax A is

(a) 5% for the period ending December 31, 2010;

(b) 4.5% for the period commencing on January 1, 2011, and ending on December 31, 2011;

(c) 4% for the period commencing on January 1, 2012, and ending on December 31, 2012;

(d) 3.5% for the period commencing on January 1, 2013, and ending on December 31, 2013;

(e) 3.0% for the period commencing on January 1, 2014, and ending on March 31, 2020;

(f) 2.5% for the period commencing on April 1, 2020; and

(g) 1.5% for the period commencing on April 1, 2025.
2000, c. 4, s. 61; 2005, c. 6, s. 19; 2010, c. 3, s. 7; 2011, c. 8, s. 9; 2012, c. 4, s. 2; 2013, c. 3, s. 8; 2017, c. 6, s. 22; 2020, c. 2, s. 4; 2024, c. 3, s. 67; 2025, c. 6, s. 35.

Subdivision b - Research and Development Tax Credit

Research and development tax credit

41 **(1)** In this Section,

(a) "eligible expenditure" means an expenditure made after 1983 by a corporation with a permanent establishment in the Province in respect of scientific research to be carried out in the Province that is a qualified expenditure under subsection 127(9) of the Federal Act,

(i) without reference to paragraphs (d) and (h) of subsection 127(9) of the Federal Act after December 31, 1999, and before April 11, 2000, and

(ii) without reference to paragraph (d) of subsection 127(9) of the Federal Act after April 10, 2000,

and, for greater certainty, for the purpose of this clause and paragraph (h) of subsection 127(9) of the Federal Act, the reference to "government assistance" in subsections 127(18), (19) and (20) of the Federal Act does not include the research and development tax credit determined pursuant to this Section;

(b) "research and development tax credit" of a corporation at the end of a taxation year for expenditures made in a taxation year ending on or before December 31, 1993, means the amount, if any, by which the aggregate of

(i) an amount equal to 10% of the aggregate of all amounts each of which is an eligible expenditure made by it in the year, computed without reference to subsection 13(7.1) of the Federal Act,

(ii) an amount equal to 10% of the aggregate of all amounts each of which is an eligible expenditure made by it in any of the seven taxation years immediately preceding or the three taxation years immediately following that year, computed without reference to subsection 13(7.1) of the Federal Act,

(iii) an amount equal to the aggregate of all amounts each of which is an amount required by subsection (6) or (8) to be included in computing its research and development tax credit at the end of the year, and

(iv) the aggregate of all amounts each of which is an amount required by subsection (6) or (8) to be included in computing its research and development tax credit at the end of any of the seven taxation years immediately preceding or the three taxation years immediately following that year,

exceeds the aggregate of all amounts each of which is that portion of the amount deducted under subsection (2) from the tax otherwise payable under this Act by the corporation for a preceding taxation

year that is in respect of an expenditure made in the year or in the seven taxation years immediately preceding or the two taxation years immediately following the year;

(c) "research and development tax credit" of a corporation at the end of a taxation year for expenditures made in a taxation year ending after December 31, 1993, means the amount which is the aggregate of

(i) an amount equal to 15% of the aggregate of all amounts each of which is an eligible expenditure made by it in the year, computed without reference to subsection 13(7.1) of the Federal Act, and

(ii) an amount equal to the aggregate of all amounts each of which is an amount required by subsection (6) or (8) to be included in computing its research and development tax credit at the end of the year.

(2) A corporation may deduct from the tax otherwise payable under this Act for a taxation year an amount not exceeding the lesser of

(a) its research and development tax credit at the end of the year; and

(b) its tax otherwise payable by it under this Act for the year.

(3) The amount by which the research and development tax credit referred to in clause (1)(c) to which a corporation is entitled exceeds the corporation's tax payable pursuant to this Act for the taxation year, calculated without reference to this Section, may be applied by the Minister of Finance to pay any

(a) tax, interest or penalty owing by the corporation for that or any prior taxation year pursuant to this Act, the income statute of any agreeing province or the Federal Act;

(b) contribution, penalty or interest owing by the corporation for that or any prior taxation year as a result of payments required from the corporation pursuant to the *Canada Pension Plan*;

(c) premium, interest or penalty owing by the corporation for that or any prior taxation year pursuant to the *Employment Insurance Act* (Canada),

and the part of the amount not so applied shall be paid to the corporation.

(4) For greater certainty, a corporation referred to in subsection (3) does not include a corporation that is exempt from tax pursuant to section 149 of the Federal Act.

(5) There is deemed to have been paid on account of tax payable under the Federal Act by a taxpayer, other than a taxpayer exempt from tax, for a taxation year, where the taxpayer is a corporation, on the day referred to in paragraph 157(1)(b) of the Federal Act on or before which the remainder of the taxes payable under this Part for the year by the taxpayer would be required to be paid if such a remainder were payable, the amount, if any, by which

(a) the taxpayer's tax credit calculated under subsection (1) for the year,

exceeds

(b) the amount deducted, pursuant to subsection (2), in computing the taxpayer's tax payable under this Part for the year.

(6) Where in a particular taxation year of a corporation which is a beneficiary under a trust, an amount would, if the trust were a corporation, be, by virtue of subclause (1)(b)(i) or (1)(c)(i), included in computing the research and development tax credit of the trust for its taxation year ending in that particular taxation year, the portion of that amount that may, having regard to all the circumstances including the terms and conditions of the trust, reasonably be considered to be the corporation's share thereof shall be included in computing the research and development tax credit of the corporation at the end of that particular taxation year.

(7) A corporation may renounce the research and development tax credit in respect of eligible expenditures incurred during the year on or before the time on or before which the corporation is required to file its return of income for the year pursuant to section 150 of the Federal Act and, where the corporation so renounces entitlement to that credit, the corporation shall be deemed for all purposes never to have received, to have been entitled to receive or to have had a reasonable expectation of receiving that credit.

(8) Where in a particular taxation year of a corporation that is a member of a partnership, an amount would, if the partnership were a corporation, be, by virtue of subclause (1)(b)(i) or (1)(c)(i), included in computing the research and development tax credit of the partnership for its taxation year ending in that particular taxation year, the portion of that amount that may reasonably be considered to be the corporation's share thereof shall be included in computing the research and development tax credit of the corporation at the end of that particular taxation year.

(9) Where after 1983 two or more corporations amalgamate within the meaning of subsection 87(1) of the Federal Act and one or more of the corporations had a research and development tax credit for any taxation year any portion of which was not deducted by it in computing its tax otherwise payable under this Act for any taxation year, for the purposes of determining the research and development tax credit of the new corporation for any taxation year preceding any taxation year of the new corporation, the new corporation shall be deemed to be the same corporation as and a continuation of each such predecessor corporation.

(10) Where after 1983

(a) a subsidiary, within the meaning of subsection 88(1) of the Federal Act, is wound up and subsection 88(1) of the Federal Act applies to the winding-up; and

(b) the subsidiary had a research and development tax credit for any taxation year any portion of which was not deducted by it in computing its tax otherwise payable under this Act for any taxation year,

for the purposes of applying this Section, the parent, within the meaning of subsection 88(1) of the Federal Act, shall be deemed to be the same corporation as, and a continuation of, the subsidiary.

(11) Where

(a) a corporation acquired a particular property from a person or partnership in a taxation year of the corporation or in any of the four preceding taxation years;

(b) the cost of the particular property was an eligible expenditure to the corporation;

(c) the cost of the particular property is included in an amount, a percentage of which can reasonably be considered to be included in computing the corporation's research and development tax credit at the end of the taxation year; and

(d) in the year and after March 31, 2002, the corporation converts to commercial use, or disposes of without having previously converted to commercial use, the particular property or another property that incorporates the particular property,

there shall be added to the corporation's tax otherwise payable under this Part for the year the lesser of the amount that can reasonably be considered to be included in computing the corporation's research and development tax credit in respect of the particular property and the amount that is the percentage, described in clause (c), of

(e) where the particular property or the other property is disposed of to a person who deals at arm's length with the corporation, the proceeds of disposition of that property; and

(f) in any other case, the fair market value of the particular property or the other property at the time of the conversion or disposition.

(12) Where a corporation is a member of a partnership that has received a research and development tax credit under subsection (8) at the end of a particular fiscal period and where

(a) a particular property, the cost of which is an eligible expenditure, is acquired by the partnership from a person or partnership in the particular fiscal period or in any of the four preceding fiscal periods of the partnership;

(b) the cost of the particular property was included in an amount, a percentage of which can reasonably be considered to have been included in computing the amount determined under subsection (8) in respect of the partnership at the end of a fiscal period; and

(c) in the particular fiscal period and after March 31, 2002, the partnership converts to commercial use, or disposes of without having previously converted to commercial use, the particular property or another property that incorporates the particular property,

there shall be added to the corporation's tax otherwise payable under this Part at the end of the particular fiscal period the corporation's share of, as a member of the partnership, the lesser of

(d) the amount that can reasonably be considered to have been included in respect of the particular property in computing the amount determined under subsection (8) in respect of the partnership; and

(e) the percentage, described in clause (b), of

(i) where the particular property or the other property is disposed of to a person who deals at arm's length with the partnership, the proceeds of disposition of that property, and

(ii) in any other case, the fair market value of the particular property or the other property at the time of the conversion or disposition.

(13) Where

(a) a corporation acquired a particular property from a person or partnership in a taxation year or in any of the four preceding taxation years;

(b) the cost of the particular property was an eligible expenditure to the corporation;

(c) all or part of the eligible expenditure can reasonably be considered to have been the subject of an agreement made under subsection 127(13) of the Federal Act by the corporation and another corporation, in this subsection referred to as the "transferee"; and

(d) in the year and after March 31, 2002, the corporation converts to commercial use, or disposes of without having previously converted to commercial use, the particular property or another property that incorporates the particular property,

there shall be added to the corporation's tax otherwise payable under this Part for the year the lesser of

(e) the amount that can reasonably be considered to have been included in computing the transferee's research and development tax credit in respect of the eligible expenditure that was the subject of the agreement; and

(f) the amount determined by the formula

$$A \times B - C$$

where

A is the percentage applied by the transferee in determining its research and development tax credit in respect of the eligible expenditure that was the subject of the agreement,

B is

(i) where the particular property or the other property is disposed of to a person who deals at arm's length with the corporation, the proceeds of disposition of that property, and

(ii) in any other case, the fair market value of the particular property or the other property at the time of the conversion or disposition, and

C is the amount, if any, added to the corporation's tax payable under subsection (11) in respect of the particular property.

(14) For the purpose of subsections (11), (12) and (13), "cost of the particular property" to a corporation shall not exceed the amount paid by the corporation to acquire the particular property from a transferor of the particular property and, for greater certainty, does not include amounts paid by the corporation to maintain, modify or transform the particular property.

(15) Subsections (11) to (13) and (16) to (19) do not apply to a corporation or a partnership, in this subsection referred to as the "transferor", that disposes of a property to another person or a partnership, in this subsection and subsections (16) to (19), referred to as the "purchaser", that does not deal at arm's length with the transferor, if the purchaser acquired the property in circumstances described under subsection 127(33) of the Federal Act.

(16) Where, at any particular time in a taxation year and after March 31, 2002, a purchaser, other than a partnership, converts to commercial use, or disposes of without having previously converted to commercial use, a property

(a) that was acquired by the purchaser in circumstances described in subsection (15) or that is another property that incorporates a property acquired in such circumstances; and

(b) that was first acquired, or that incorporates a property that was first acquired, by a corporation, in this subsection referred to as the "original user", with which the purchaser did not deal at arm's length at the time at which the purchaser acquired the property, in the original user's taxation year or fiscal period that includes the particular time, on the assumption that the original user had such a taxation year or fiscal period, or in any of the original user's four preceding taxation years or fiscal periods,

there shall be added to the purchaser's tax otherwise payable under this Part for the year the lesser of

(c) the amount included, in respect of the property, in the research and development tax credit of the original user; and

(d) the amount determined by applying the percentage that was applied in computing the research and development tax credit referred to in clause (c) by the corporation that was the original user, to

(i) where the property or the other property is disposed of to a person who deals at arm's length with the purchaser, the proceeds of disposition of that property, and

(ii) in any other case, the fair market value of the property or the other property at the time of the conversion or disposition.

(17) Where, at any particular time in a taxation year and after March 31, 2002, a purchaser, other than a partnership, converts to commercial use, or disposes of without having previously converted to commercial use, a property

(a) that was acquired by the purchaser in circumstances described in subsection (15) or that is another property that incorporates a property acquired in such circumstances; and

(b) that was first acquired, or that incorporates a property that was first acquired, by a partnership, in this subsection referred to as the "original user", with which the purchaser did not deal at arm's length at the time at which the purchaser acquired the property, in the original user's taxation year or fiscal period that includes the particular time, on the assumption that the original user had such a taxation year or fiscal period, or in any of the original user's four preceding taxation years or fiscal periods,

there shall be added to the purchaser's tax otherwise payable under this Part for the year the lesser of

(c) the amount that can reasonably be considered to have been included in respect of the property in computing the research and development tax credit under subsection (8) in respect of all the corporations that were members of the original user; and

(d) the amount determined by applying the percentage that was applied in computing the research and development tax credit referred to in clause (c), times the proportion of that research and development tax credit that was utilized by the corporations that were members of the original user was of the total research and development tax credit calculated as if the original user was a corporation, to

(i) where the property or the other property is disposed of to a person who deals at arm's length with the purchaser, the proceeds of disposition of that property, and

(ii) in any other case, the fair market value of the property or the other property at the time of the conversion or disposition.

(18) Where, at any particular time in a taxation year and after March 31, 2002, a purchaser is a partnership that converts to commercial use, or disposes of without having previously converted to commercial use, a property

(a) that was acquired by the purchaser in circumstances described in subsection (15) or that is another property that incorporates a property acquired in such circumstances; and

(b) that was first acquired, or that incorporates a property that was first acquired, by a corporation, in this subsection referred to as the "original user", with which the purchaser did not deal at arm's length at the time at which the purchaser acquired the property, in the original user's taxation year or fiscal period that includes the particular time, on the assumption that the original user had such a taxation year or fiscal period, or in any of the original user's four preceding taxation years or fiscal periods,

there shall be added to the tax otherwise payable under this Part for the year, for each member of the partnership that is the purchaser, the portion that may reasonably be considered to be the partner's share of the lesser of

(c) the amount included, in respect of the property, in the research and development tax credit of the original user; and

(d) the amount determined by applying the percentage that was applied in computing the research and development tax credit referred to in clause (c) to

(i) where the property or the other property is disposed of to a person who deals at arm's length with the purchaser, the proceeds of disposition of that property, and

(ii) in any other case, the fair market value of the property or the other property at the time of the conversion or disposition.

(19) Where, at any particular time in a taxation year and after March 31, 2002, a purchaser is a partnership that converts to commercial use, or disposes of without having previously converted to commercial use, a property

(a) that was acquired by the purchaser in circumstances described in subsection (15) or that is another property that incorporates a property acquired in such circumstances; and

(b) that was first acquired, or that incorporates a property that was first acquired, by a partnership, in this subsection referred to as the "original user", with which the purchaser did not deal at arm's length at the time at which the purchaser acquired the property, in the original user's taxation year or fiscal period that includes the particular time, on the assumption that the original user had such a taxation year or fiscal period, or in any of the original user's four preceding taxation years or fiscal periods,

there shall be added to the tax otherwise payable under this Part for the year, for each member of the partnership that is the purchaser, the portion that may reasonably considered to be the partner's share of the lesser of

(c) the amount that can reasonably be considered to have been included in respect of the property in computing the research and development tax credit under subsection (8) in respect of all the corporations that were members of the original user; and

(d) the amount determined by applying the percentage that was applied in computing the research and development tax credit referred to in clause (c), times the proportion of that research and development tax credit that was utilized by the corporations that were members of the original user was of the total research and development tax credit calculated as if the original user was a corporation, to

(i) where the property or the other property is disposed of to a person who deals at arm's length with the purchaser, the proceeds of disposition of that property, and

(ii) in any other case, the fair market value of the property or the other property at the time of the conversion or disposition.

(20) A qualifying corporation that wishes to claim a tax credit under this Part in respect of a taxation year must file, with the return of income filed by the corporation under Section 51 for that taxation year, an application for the tax credit in the form, and containing the information, required by the Commissioner of Customs and Revenue.

(21) A qualifying corporation is not entitled to a tax credit under this Part in relation to its eligible expenditure in a taxation year unless, within eight-

een months after the end of the taxation year, the corporation files the form containing the information required under subsection (20).

(22) Where the time limit in subsection (21) would otherwise expire during the period beginning on March 31, 2020, and ending on December 30, 2020, the time limit is extended by six months or until December 31, 2020, if that day is before the end of those six months. 2000, c. 4, s. 61; 2001, c. 3, s. 12; 2002, c. 5, s. 27; 2003, c. 4, s. 20; 2005, c. 6, s. 20; 2014, c. 33, s. 11; 2021, c. 6, s. 27.

Subdivision c - Nova Scotia Corporate Tax Holiday

Corporate tax holiday

42 **(1)** In this Section, "active business" has the meaning assigned to the expression "active business carried on by a corporation" in subsection 125(7) of the Federal Act.

(2) In this Section, Minister means the Minister of Finance and Treasury Board for the Province.

(3) The Minister may delegate to an employee of the Department of Finance and Treasury Board for the Province any duty or responsibility assigned to the Minister pursuant to this Section.

(4) There may be deducted from the tax otherwise payable pursuant to this Part, for the first, second and third taxation years of a corporation or an association, as defined in the *Co-operative Associations Act*, that was incorporated after April 24, 1992, pursuant to the laws of the Province, another province of Canada or Canada or by a special Act of the Legislature, an amount equal to the applicable percentage referred to in the description of A in the formula in subsection 40(2) of the amount determined pursuant to subsection (5) for the taxation year, if the corporation is eligible to claim, with respect to the taxation year, a deduction pursuant to subsection 125(1) of the Federal Act.

(5) For the purposes of subsection (4), the amount determined pursuant to this subsection for a taxation year is that proportion of the least of the amounts determined pursuant to paragraphs 125(1)(a), (b) and (c) of the Federal Act for the taxation year, that

(a) its taxable income earned in the year in the Province,

is of

(b) its taxable income earned in the year in a province.

(6) Notwithstanding subsection (4), a corporation is not eligible for a deduction pursuant to subsection (4) for a taxation year if it, or any predecessor corporation thereof, within the meaning of section 87 of the Federal Act, at any time since the date of its incorporation

(a) was associated with any other corporation within the meaning of section 256 of the Federal Act, unless the Minister has waived this restriction with respect to such association with the other corporation;

(b) carried on an active business by reason of being a member of a partnership, where any other member of the partnership was not eligible for a deduction pursuant to subsection (4) for the taxation year;

(c) was a beneficiary of a trust, where any other beneficiary of the trust was not eligible for a deduction pursuant to subsection (4) for the taxation year;

(d) carried on an active business by reason of being a co-venturer in a joint venture, where any other co-venturer in the joint venture was not eligible for a deduction pursuant to subsection (4) for the taxation year;

(e) has carried on an active business by reason of having acquired, by purchase or otherwise, or leased property from another corporation, hereinafter referred to as the "vendor", in respect of which it, any of its shareholders, or any persons related to it or its shareholders, beneficially owned at any time, directly or indirectly, more than 10% of the issued shares of any class of the capital stock of the vendor; or

(f) has carried on an active business by reason of having acquired, by purchase or otherwise, or leased property from a sole proprietorship or partnership, hereinafter referred to as the "vendor", in respect of which it, any of its shareholders, or any persons related to it or its shareholders beneficially owned the vendor.

(7) Notwithstanding subsection (4), a corporation is not eligible for a deduction pursuant to subsection (4) for the taxation year if, prior to incorporation, the same or substantially the same business activity was carried on as a sole proprietorship, partnership or corporation, whether registered as such or not.

(8) Notwithstanding subsection (7), if the same or substantially the same business activity was carried on as a sole proprietorship or partnership, whether registered as such or not, for a period of ninety days or less prior to the date of incorporation, the corporation may apply to the Minister for a certificate of eligibility.

(9) A corporation shall not be entitled to a deduction pursuant to subsection (4) for the taxation year if, as a result of a transaction or an event, or a series of transactions or events, property of a business has been transferred, or has been deemed to have been transferred, either directly or indirectly, to the corporation, and it is reasonable for the Minister to believe that one of the principal purposes of the transfer or deemed transfer is to enable the corporation to claim a deduction from tax pursuant to subsection (4) that it could not otherwise claim.

(10) A corporation is not entitled to a deduction pursuant to subsection (4) for the taxation year if, as a result of a disposition, a deemed disposition or a series of dispositions of shares of any corporation, it is reasonable for the Minister to believe that one of the principal purposes of the disposition or deemed disposition is to enable the corporation to claim a deduction from tax pursuant to subsection (4) that it could not otherwise claim.

(11) For greater certainty, this Section does not apply to a business incorporated for the professional practice of an accountant, dentist, lawyer, medical doctor, veterinarian or chiropractor.

(12) To be eligible for a tax deduction pursuant to this Section, a corporation shall apply to the Minister for a certificate of eligibility which the corporation shall file with its income tax return.

(13) A corporation incorporated pursuant to the laws of a province or Canada is not entitled to the deduction pursuant to this Section unless at least 25% of the wages and salaries paid by the corporation in the taxation year are paid to employees who are resident in the Province and the corporation's head office is located in the Province.

(14) The Governor in Council may make regulations

(a) prescribing the terms and conditions of eligibility of a corporation for the deduction, in addition to any eligibility requirements set out in this Section;

(b) determining the order in which a corporation is required to take the deduction provided for in this Section;

(c) respecting the time limits within which an application for the deduction is to be made by a corporation. 2000, c. 4, s. 61; 2001, c. 3, s. 13; 2007, c. 9, s. 22; 2014, c. 34, s. 16.

Subdivision d - Foreign Tax Deduction

Foreign tax deduction

43 Where the income for a taxation year of a corporation that maintained a permanent establishment in the Province at any time in the taxation year includes income described in subparagraph 126(1)(b)(i) of the Federal Act from sources in a country other than Canada, in this Section referred to as "foreign investment income", and where the corporation may claim a deduction under subsection 126(1) of the Federal Act in respect of the foreign investment income, the corporation may deduct from the tax for the year otherwise payable under this Act an amount equal to the lesser of

(a) the product obtained when the applicable rate set out in subsection 40(1) is applied to the sum of

(i) the foreign investment income of the corporation for the year from sources in the country, and

(ii) that proportion that the corporation's taxable income earned in the year in the Province is of the corporation's taxable income earned in the year; and

(b) that proportion of the amount by which such part of any non-business-income tax paid by the corporation for the year to the government of a country other than Canada, except any such tax or part thereof that may reasonably be regarded as having been paid in respect of income from a share of the capital stock of a foreign affiliate of the corporation, exceeds the amount deductible by the corporation under subsection 126(1) of the Federal Act that

(i) the corporation's taxable income earned in the year in the Province,

is of

(ii) the corporation's taxable income earned in the year in a province. 2000, c. 4, s. 61; 2005, c. 6, s. 21; 2026, c. 3, s. 62.

Subdivision e - Capital Gains Refund to Mutual Fund Corporation

Capital gains refund to mutual fund corporation

44 (1) Where an amount is to be refunded to a corporation in respect of a taxation year, pursuant to section 131 of the Federal Act, the Minister shall, subject to subsection (2), at such time and in such manner as is provided in that section, refund to the corporation an amount, in this Section referred to as its "capital gains refund" for the year, equal to that proportion of the amount of the refund for the year calculated under subsection 131(2) of the Federal Act that

(a) the percentage referred to in subsection 40(1) for the year,

is of

(b) the percentage referred to in paragraph (b) of the description of A in the formula in the definition "refundable capital gains tax on hand" in subsection 131(6) of the Federal Act.

(2) For the purpose of computing the capital gains refund under subsection (1) for a corporation in respect of a taxation year, where

(a) the corporation's taxable income earned in the year in the Province,

is less than

(b) the corporation's taxable income for the year,

the refund shall be that proportion of the capital gains refund for the year, otherwise determined under subsection (1), that the amount determined under clause (a) is of the amount determined under clause (b).

(3) Subsection 131(3) of the Federal Act applies for the purpose of this Act. 2000, c. 4, s. 61.

Subdivision f - ISO9000 Certification

ISO9000 Certification

45 (1) In this Section, "eligible expenditure" means an expenditure made after 1993 and before January 1, 2001, by a corporation with a permanent establishment in the Province with respect to audit, training and documentation expenses necessary for the corporation to become ISO9000 certified.

(1A) In this Section "Minister" means the Minister of Finance and Treasury Board of the Province.

(2) A corporation that has made eligible expenditures in a taxation year may apply to the Minister of Finance, at the time and in the manner prescribed by the Minister of Finance, for a tax credit equal to 25% of the lesser of

(a) the amount of eligible expenditures made in the taxation year; and

(b) $150,000.

(3) Where the Minister is satisfied that a corporation is entitled to a tax credit pursuant to this Section, the Minister shall, at the time and in the manner prescribed by the Minister, issue a tax credit certificate to the corporation.

(4) Where a corporation files with its return of income for a taxation year a tax credit certificate issued by the Minister of Finance pursuant to subsection (3), the corporation may deduct from the tax otherwise payable by the corporation under this Act the amount of the tax credit indicated on the tax credit certificate.

(5) The Governor in Council may make regulations

(a) prescribing forms for the purpose of this Section;

(b) governing any matter that may be prescribed pursuant to this Section;

(c) requiring a corporation to supply information or documents respecting any matter required in assessing compliance with this Section;

(d) respecting those expenditures that qualify as eligible expenditures for the purpose of this Section;

(e) defining any word used but not defined in this Section;

(f) to carry out effectively the intent and purpose of this Section. 2000, c. 4, s. 61; 2014, c. 34, s. 17.

Subdivision g - Prospectus Filing Expenses

Prospectus filing expenses

46 (1) In this Section, "eligible expenditure" means an expenditure made after 1994 and before 2000 by a corporation with a permanent establishment in the Province with respect to audit, legal and printing expenses necessary for the corporation to file a prospectus pursuant to the *Securities Act* or a stock exchange as prescribed by regulation.

(1A) In this Section "Minister" means the Minister of Finance and Treasury Board of the Province.

(2) A corporation that has made eligible expenditures in a taxation year may apply to the Minister of Finance, at the time and in the manner prescribed by the Minister of Finance, for a tax credit equal to 35% of the lesser of

(a) the amount of eligible expenditures made in the taxation year; or

(b) $100,000.

(3) Where the Minister is satisfied that a corporation is entitled to a tax credit pursuant to this Section, the Minister shall, at the time and in the manner prescribed by the Minister, issue a tax credit certificate to the corporation.

(4) Where a corporation files with its return of income for a taxation year a tax credit certificate issued by the Minister of Finance pursuant to subsection (3), the corporation may deduct from the tax otherwise payable by the corporation under this Act the amount of the tax credit indicated on the tax credit certificate.

(5) Where a corporation

(a) has been issued a tax certificate pursuant to this Section; and

(b) the amount of the tax credit exceeds the amount of tax payable by the corporation for the taxation year,

the corporation may carry forward and deduct any unused balance of the tax credit from tax otherwise payable by the corporation in any one or more of the corporation's seven subsequent taxation years.

(6) The Governor in Council may make regulations

(a) prescribing forms for the purpose of this Section;

(b) governing any matter that may be prescribed pursuant to this Section;

(c) requiring a corporation to supply information or documents respecting any matter required in assessing compliance with this Section;

(d) respecting those expenditures that qualify as eligible expenditures for the purpose of this Section;

(e) respecting those corporations that are eligible for the tax credit pursuant to this Section;

(f) defining any word or expression used but not defined in this Section;

(g) to carry out effectively the intent and purpose of this Section. 2000, c. 4, s. 61; 2014, c. 34, s. 18.

Subdivision h - Film Industry Tax Credit

Film industry tax credit

47 (1) A corporation producing an eligible film in the Province may apply in the manner prescribed for a film industry tax credit if the principal photography for the eligible film commenced before July 1, 2015.

(2) Where the corporation meets the prescribed criteria, there may be deducted from tax otherwise payable by the corporation an amount equal to the lesser of

(a) the sum of

(i) 32.5% of the eligible salaries paid after December 31, 1999, and before April 11, 2000, to residents of the Province,

(ii) for film production activity undertaken in an eligible geographic area of the Province as prescribed by regulation,

(A) 35% of the eligible salaries paid after April 10, 2000, and before 2005,

(B) 40% of the eligible salaries paid on or after January 1, 2005, and before July 1, 2006,

(C) where 50% or greater of the days for principal photography for the production are spent in the eligible geographic area, 40% of the eligible salaries paid after June 30, 2006, and before October 1, 2007, and

(D) where 50% or greater of the days for principal photography for the production are spent in the eligible geographic area, 60% of the eligible salaries paid after September 30, 2007, and before December 1, 2010,

(iii) for film production activity undertaken otherwise than in an eligible geographic area of the Province as prescribed by regulation,

(A) 30% of the eligible salaries paid after April 10, 2000, and before 2005, and

(B) 35% of the eligible salaries paid after December 31, 2004, and before July 1, 2006,;

and

(iv) for film production activity where less than 50% of the principal photography is undertaken after June 30, 2006, in an eligible geographic area of the Province as prescribed by regulation,

(A) 40% of the eligible salaries paid times the proportion of time the days for principal photography are spent inside an eligible geographic area are out of the total days for principal photography for the production, paid after June 30, 2006, and before October 1, 2007, and

(B) 35% of the eligible salaries paid times the proportion of time the days for principal photography are spent outside an eligible geographic area are out of the total days for principal photography for the production, paid after June 30, 2006, and before October 1, 2007, and

(v) for film production activity where less than 50% of principal photography is undertaken after September 30, 2007, in an eligible geographic area of the Province as prescribed by regulation,

(A) 60% of the eligible salaries paid times the proportion of time the days for principal photography are spent inside an eligible geographic area are out of the total days for principal photography for the production, paid after September 30, 2007, and before December 1, 2010, and

(B) 50% of the eligible salaries paid times the proportion of time the days for principal photography are spent outside an eligible geographic area are out of the total days for principal photography for the production, paid after September 30, 2007, and before December 1, 2010;

or

(b) 16.25% of the total production costs of the eligible film in the case of subclause (a)(i), 17.5% in the case of paragraph (a)(ii)(A), 20% in the case of paragraphs (a)(ii)(B) and (a)(ii)(C), 30% in the case of paragraph (a)(ii)(D), 15% in the case of paragraph (a)(iii)(A), 17.5% in the case of paragraph (a)(iii)(B), 20% in the case of paragraph (a)(iv)(A), 17.5% in the case of paragraph (a)(iv)(B), 30% in the case of paragraph (a)(v)(A) and 25% in the case of paragraph (a)(v)(B).

(2A) A corporation may deduct from tax otherwise payable by the corporation an additional frequent filmer credit of 5% of the eligible salaries of an eligible film if

(a) the principal photography for the film commenced after December 31, 2004, and before July 1, 2015;

(b) the principal photography for the film commenced within twenty-four months of the completion of principal photography for two other eligible films;

(c) *repealed 2015, c. 6, s. 21.*

(d) the principal owner for each of the three films is the same person or group of persons; and

(e) the film and two other eligible films satisfy the eligibility criteria prescribed by regulation.

(2B) Where film production activity of an eligible film commences after November 30, 2010, and before July 1, 2015[,] and the corporation meets the prescribed criteria, there may be deducted from tax otherwise payable by the corporation an amount equal to

(a) 60% of the eligible salaries paid after November 30, 2010, where 50% or greater of the days for principal photography for the film production activity are undertaken in an eligible geographic area of the Province as prescribed by regulation, or

(b) the sum of

(i) 60% of the eligible salaries paid after November 30, 2010, times the proportion of time the days for principal photography are spent inside an eligible geographic area

are out of the total days for principal photography where less than 50% of the days for principal photography for the film production activity are undertaken in an eligible geographic area of the Province as prescribed by regulation, and

(ii) 50% of the eligible salaries paid after November 30, 2010, times the proportion of time the days for principal photography are spent outside an eligible geographic area are out of the total days for principal photography where less than 50% of the days for principal photography for the film production activity are undertaken in an eligible geographic area of the Province as prescribed by regulation.

(3) The amount by which the tax credit referred to in subsections (2), (2A) and (2B) exceeds the corporation's tax payable for the taxation year calculated without reference to this Section may be applied by the Minister of Finance to pay

(a) any tax, interest or penalty owing by the corporation for that or any prior taxation year pursuant to this Act, the income statute of any agreeing province or the Federal Act;

(b) any contribution, penalty or interest by the corporation for that or any prior taxation year as a result of payments required from the corporation pursuant to the *Canada Pension Plan*;

(c) any premium, interest or penalty owing by the corporation for that or any prior taxation year pursuant to the *Employment Insurance Act* (Canada),

and the part of the amount not so applied shall be paid to the corporation.

(4) The Governor in Council may make regulations

(a) prescribing forms for the purpose of this Section;

(b) governing any matter that may be prescribed pursuant to this Section;

(c) requiring a corporation to supply information or documents respecting any matter required in assessing compliance with this Section;

(d) respecting those corporations that are eligible for the tax credit pursuant to this Section;

(e) prescribing the criteria for determining when an expenditure has occurred in an eligible geographic area;

(f) prescribing eligible geographic areas of the Province;

(g) defining any word or expression used but not defined in this Section;

(h) to carry out effectively the intent and purpose of this Section.

(5) A regulation made pursuant to this Section may be made retroactive in its operation to a date not earlier than January 1, 2005.

(6) A corporation that has claimed and is eligible for a tax credit under this Section for a taxation year is deemed to have paid, at the time referred to in paragraph 157(1)(b) of the Federal Act, as that paragraph relates to that taxation year, the amount of that credit on account of its tax payable under this Act. 2000, c. 4, s. 61; 2002, c. 5, s. 28; 2003, c. 4, s. 21; 2005, c. 6, s. 22; 2006, c. 2, s. 25; 2007, c. 9, s. 23; 2008, c. 2, s. 22; 2011, c. 8, s. 10; 2014, c. 33, s. 12; 2015, c. 6, s. 21.

Subdivision ha - Computer-assisted Labour Incentives

Digital media tax credit

47A (1) In this Section,

(a) "eligible corporation" means a corporation, as defined by the regulations, that satisfies the conditions prescribed by the regulations;

(b) "eligible expenditure" means the amount determined under the rules prescribed by the regulations;

(c) "eligible product" means, in respect of a product developed by an eligible corporation, a product

(i) that satisfies the conditions prescribed by the regulations, and

(ii) for which public financial support would not be contrary to public policy in the opinion of the Minister of Finance and Treasury Board of the Province or, where another person is designated under subsection (3), in the opinion of that person;

(d) "eligible product developed by an eligible corporation" means a product developed and completed in accordance with the conditions specified in the regulations;

(e) "qualifying expenditure" means the amount determined under the rules prescribed by the regulations;

(f) "total expenditure" means the amount determined under the rules prescribed by the regulations.

(2) A corporation that is an eligible corporation in the taxation year and complies with the requirements of this Section may deduct from tax otherwise payable in the taxation year by the corporation an amount equal to the lesser of

(a) the sum of

(i) 35% of the qualifying expenditure incurred before January 1, 2008, for an eligible product developed by the eligible corporation otherwise than in an eligible geographic area of the Province as prescribed by regulation,

(ii) 50% of the qualifying expenditure incurred after December 31, 2007, and before January 1, 2031, for an eligible product developed by the eligible corporation otherwise than in an eligible geographic area of the Province as prescribed by regulation,

(iii) 40% of the qualifying expenditure incurred before January 1, 2008, for an eligible product developed by the eligible corporation in an eligible geographic area of the Province as prescribed by regulation, and

(iv) 60% of the qualifying expenditure incurred after December 31, 2007, and before January 1, 2031, for an eligible product developed by the eligible corporation in an eligible geographic area of the Province as prescribed by regulation;

or

(b) the sum of

(i) 17.5% of the total expenditures incurred before January 1, 2008, for an eligible product developed by an eligible corporation in the case of subclause 47A(2)(a)(i),

(ii) 25% of the total expenditure incurred after December 31, 2007, and before January 1, 2031, for an eligible product developed by an eligible corporation in the case of subclause 47A(2)(a)(ii),

(iii) 20% of the total expenditures incurred before January 1, 2008, for an eligible product developed by an eligible corporation in the case of subclause 47A(2)(a)(iii), and

(iv) 30% of the total expenditures incurred after December 31, 2007, and before January 1, 2031, for an eligible product developed by an eligible corporation in the case of subclause 47A(2)(a)(iv).

(3) In order to be eligible to deduct or claim an amount in respect of a deduction under this Section for a taxation year, an eligible corporation shall apply in the manner prescribed by regulation to

(a) the Minister of Finance and Treasury Board of the Province, or a person designated by the Minister of Finance and Treasury Board of the Province, for certification of its eligible products for the purpose of this Section; and

(b) the Minister of Finance and Treasury Board of the Province, or a person designated by the Minister of Finance and Treasury Board of the Province, for certification of the amount of the qualifying expenditure and the amount of the eligible corporation's tax credit under this Section applicable to the eligible product.

(4) Where the Minister of Finance and Treasury Board of the Province, or a person designated by the Minister of Finance and Treasury Board of the Province, allows a deduction pursuant to this Section to an eligible corporation for a taxation year, a certificate shall be issued to the eligible corporation for the taxation year, certifying in respect of each eligible product the estimated amount of the corporation's tax credit under this Section applicable to the product.

(5) In order to deduct or claim an amount under this Section for a taxation year, an eligible corporation shall deliver to the Minister with its return

for the taxation year the certificate for the taxation year that is issued under subsection (4).

(6) This Section applies with respect to expenditures by an eligible corporation incurred after December 31, 2007, or such earlier date as the Governor in Council may order by regulation, and before January 1, 2031, that are included as eligible expenditures or total expenditures for an eligible product.

(7) The amount by which the tax credit referred to in subsection (2) exceeds the corporation's tax payable for the taxation year calculated without reference to this Section may be applied by the Minister to

(a) any tax, interest or penalty owing by the corporation for that or any prior taxation year pursuant to this Act, the income statute of any agreeing province or the Federal Act;

(b) any contribution, penalty or interest by the corporation for that or any prior taxation year as a result of payments required from the corporation pursuant to the *Canada Pension Plan*;

(c) any premium, interest or penalty owing by the corporation for that or any prior taxation year pursuant to the *Employment Insurance Act* (Canada),

and the part of the amount not so applied shall be paid to the corporation.

(8) A corporation that has claimed and is eligible for a tax credit under this Section for a taxation year is deemed to have paid, at the time referred to in paragraph 157(1)(b) of the Federal Act, as that paragraph relates to that taxation year, the amount of that credit on account of its tax payable under this Act.

(9) The Governor in Council may make regulations

(a) governing any matter that may be prescribed pursuant to this Section;

(b) requiring a corporation to supply information or documents respecting any matter required in assessing eligibility and compliance with this Section;

(c) prescribing the criteria for determining when an expenditure has been incurred in an eligible geographic area;

(d) prescribing eligible geographic areas of the Province;

(e) designating the date for expenditures for the purpose of subsection (6);

(f) defining any word or expression used but not defined in this Section;

(g) to carry out effectively the intent and purpose of this Section.

(10) A regulation made pursuant to this Section may be made retroactive to a date not earlier than January 1, 2007. 2007, c. 9, s. 24; 2008, c. 2, s. 23; 2014, c. 33, s. 13; 2014, c. 34, s. 19; 2015, c. 6, s. 22; 2020, c. 2, s. 5; 2024, c. 3, s. 68.

Digital animation tax credit

47B **(1)** In this Section,

(a) "accredited production corporation" means a corporation, as defined by the regulations, that satisfies the conditions prescribed by the regulations;

(b) "assistance" means the amount determined under the rules prescribed by the regulations;

(c) "basic tax-credit rate" means the basic tax-credit rate percentage prescribed by the regulations;

(d) "digital-animation tax-credit rate" means the digital-animation tax-credit rate percentage prescribed by the regulations;

(e) "eligible corporation" means a corporation, as defined by the regulations, that satisfies the conditions prescribed by the regulations;

(f) "eligible digital-animation production" means a production, as defined by the regulations, that satisfies the conditions prescribed by the regulations;

(g) "eligible NS animation labour expenditure" means the amount determined under the rules prescribed by the regulations;

(h) "eligible NS labour expenditure" means the amount determined under the rules prescribed by the regulations;

(i) "eligible remuneration" means the amount determined under the rules prescribed by the regulations;

(j) "indigenous tax-credit rate" means the indigenous tax credit rate percentage prescribed by the regulations;

(k) "qualifying labour expenditure" means the amount determined under the rules prescribed by the regulations.

(2) Where, in respect of a taxation year, a corporation has been issued a tax-credit certificate pursuant to subsection (6), the corporation may deduct from tax otherwise payable in the taxation year the amount specified in the tax-credit certificate.

(3) The amount by which the tax credit referred to in subsection (2) exceeds the corporation's tax payable for the taxation year calculated without reference to this Section may be applied by the Minister to

(a) any tax, interest or penalty owing by the corporation for that or any prior taxation year pursuant to this Act, the income statute of any agreeing province or the Federal Act;

(b) any contribution, penalty or interest owing by the corporation for that or any prior taxation year as a result of payments required from the corporation pursuant to the *Canada Pension Plan*; and

(c) any premium, interest or penalty owing by the corporation for that or any prior taxation year pursuant to the *Employment Insurance Act* (Canada),

and the part of the amount not so applied shall be paid to the corporation.

(4) A corporation that has claimed and is eligible for a tax credit under this Section for a taxation year is deemed to have paid, at the time referred to in paragraph 157(1)(b) of the Federal Act, as that paragraph relates to that taxation year, the amount of the credit on account of its tax payable under this Act.

(5) To be eligible to deduct or claim an amount pursuant to this Section for a taxation year, a corporation shall apply, in the manner prescribed by the regulations, to the Minister of Finance and Treasury Board of the Province, or a person designated by the Minister of Finance and Treasury Board of the Province, to be issued a tax-credit certificate pursuant to subsection (6).

(6) Where the Minister of Finance and Treasury Board of the Province, or the person designated by the Minister of Finance and Treasury Board of the Province, is satisfied that

(a) the corporation that has applied for a tax-credit certificate pursuant to subsection (5) is an eligible corporation for the taxation year in respect of which the application was made;

(b) the production in respect of which the application was made pursuant to subsection (5) is an eligible digital-animation production; and

(c) the corporation satisfies any other requirements that may be prescribed by the regulations,

a tax-credit certificate shall be issued to the corporation for the taxation year, specifying in respect of each eligible digital-animation production the amount, calculated in accordance with subsection (7), of the corporation's tax credit pursuant to this Section.

(7) Where principal photography or key animation of an eligible digital-animation production begins after June 30, 2015, and before January 1, 2031, the amount of a corporation's tax credit that must be specified in a tax-credit certificate issued pursuant to subsection (6) is the sum of

(a) the positive amount, if any, determined by the formula

$$BTC \times (QLE - TA)$$

where

BTC = the basic tax-credit rate,

QLE = the total of the amount of qualifying labour expenditure in respect of the eligible digital-animation production, and

TA = the total of all amounts of assistance received in respect of the eligible digital-animation production;

(b) the positive amount, if any, determined by the formula

$$DAC \times NSAL$$

where

DAC = the digital-animation tax-credit rate, and

NSAL = the total of the amount of eligible NS animation labour expenditure in respect of the eligible digital-animation production;

and

(c) where the eligible corporation is an accredited production corporation, the positive amount, if any, determined by the formula

$$IC \times NSAL$$

where

IC = the indigenous tax-credit rate, and

NSAL = the total of the amount of eligible NS animation labour expenditure in respect of the eligible digital animation production.

(8) A corporation is not entitled to deduct or claim an amount pursuant to this Section for a taxation year unless the tax-credit certificate issued under subsection (6) is

(a) filed with the corporation's return for the taxation year; or

(b) where the return is filed electronically, held by the corporation and filed with the Minister upon request.

(9) The Minister of Finance and Treasury Board of the Province may revoke a tax-credit certificate issued pursuant to subsection (6) if any information provided by the corporation to obtain the certificate is false or misleading or fails to disclose a material fact.

(10) A certificate revoked pursuant to subsection (9) is void *ab initio*.

(11) Where the Minister of Finance and Treasury Board of the Province determines that any amount paid or applied pursuant to this Section did not qualify as a tax credit of the corporation to which it was paid or for the benefit of which it was applied, that amount is recoverable from the corporation and is a debt due by the corporation to His Majesty in right of the Province.

(12) The Governor in Council may make regulations

(a) respecting any matter that may be prescribed pursuant to this Section;

(b) requiring a corporation to supply information or documents respecting any matter required in assessing eligibility and compliance with this Section;

(c) prescribing criteria for determining when an expenditure has been incurred in an eligible geographic area;

(d) prescribing eligible geographic areas of the Province;

(e) defining any word or expression used but not defined in this Section;

(f) further defining any word or expression defined in this Section;

(g) respecting any matter or thing the Governor in Council considers necessary or advisable to effectively carry out the intent and purpose of this Section.

(13) A regulation made pursuant to this Section may be made retroactive to a date not earlier than July 1, 2015. 2015, c. 6, s. 23; 2020, c. 2, s. 6; 2024, c. 3, s. 69.

Subdivision i - ISO14000 Certification

ISO14000 Certification

48 (1) In this Section, "eligible expenditure" means an expenditure made after 1995 and before January 1, 2001, by a corporation with a permanent establishment in the Province with respect to audit, training and documentation expenses necessary for the corporation to become ISO14000 certified.

(1A) In this Section "Minister" means the Minister of Finance and Treasury Board of the Province.

(2) A corporation that has made eligible expenditures in a taxation year may apply to the Minister of Finance, at the time and in the manner prescribed by the Minister of Finance, for a tax credit equal to 25% of the lesser of

(a) the amount of eligible expenditures made in the taxation year; and

(b) $150,000.

(3) Where the Minister is satisfied that a corporation is entitled to a tax credit pursuant to this Section, the Minister shall, at the time and in the manner prescribed by the Minister, issue a tax credit certificate to the corporation.

(4) Where a corporation files with its return of income for a taxation year a tax credit certificate issued by the Minister of Finance pursuant to subsection (3), the corporation may deduct from the tax otherwise payable by the corporation under this Act the amount of the tax credit indicated on the tax credit certificate.

(5) The Governor in Council may make regulations

(a) prescribing forms for the purpose of this Section;

(b) governing any matter that may be prescribed pursuant to this Section;

(c) requiring a corporation to supply information or documents respecting any matter required in assessing compliance with this Section;

(d) respecting those expenditures that qualify as eligible expenditures for the purpose of this Section;

(e) defining any word or expression used but not defined in this Section;

(f) respecting any matter or thing the Governor in Council considers necessary or advisable to carry out effectively the intent and purpose of this Section. 2000, c. 4, s. 61; 2014, c. 34, s. 20.

Subdivision j - Manufacturing and Processing Investment Tax Credit

Manufacturing and processing investment tax credit

49 (1) In this Section,

(a) "capital cost" to the corporation has the meaning assigned by paragraph 127(11.1)(b) and (d) of the Federal Act and, for greater certainty, for the purpose of this subsection, "government assistance" as described in paragraph 127(11.1)(b) and (d) of the Federal Act does not include the investment tax credit determined under this Section;

(b) "investment tax credit" of a corporation at the end of a taxation year means the amount, if any, by which the total of

(i) an amount equal to

(A) 30% of the total of all amounts each of which is the capital cost to the corporation of a qualified property acquired by it before January 1, 2001, and

(B) 15% of the total of all amounts each of which is the capital cost to the corporation of a qualified property acquired by it after December 31, 2000, but before January 1, 2003,

determined without reference to subsection 13(7.1) of the Federal Act,

(ii) an amount equal to

(A) where a qualified property is acquired before January 1, 2001, 30% of the total of all amounts each of which is the capital cost to the corporation of the qualified property acquired by it in any of the seven taxation years immediately preceding or the three taxation years immediately following the year of acquisition to no later than the taxation year for the corporation ending December 31, 2009, and

(B) where a qualified property is acquired after December 31, 2000, and before January 1, 2003, 15% of the total of all amounts each of which is the capital cost to the corporation of the qualified property acquired by it in any of the seven taxation years immediately preceding or the three taxation years immediately following the year of acquisition to no later than the taxation year for the corporation ending December 31, 2009,

determined without reference to subsection 13(7.1) of the Federal Act,

(iii) an amount equal to the total of all amounts each of which is an amount required by subsection (3), (4) or (5) to be added in computing its investment tax credit at the end of the year, and

(iv) the total of all amounts each of which is an amount required by subsection (3), (4) or (5) to be added in computing its investment tax credit at the end of any of the seven taxation years immediately preceding or the three taxation years immediately following the year,

exceeds

(v) the total of all amounts each of which is that portion of the amount deducted pursuant to subsection (2) from the tax otherwise payable under this Act by the corporation for a preceding taxation year that is in respect of property acquired in the year or in the seven taxation years immediately preceding or the two taxation years immediately following the year;

(c) "manufacturing or processing" has the meaning assigned by the definition "manufacturing or processing" in subsection 125.1(3) of the Federal Act and includes qualified activities as defined by Federal Regulations made for the purpose of subsection 125.1(3) of the Federal Act;

(d) "qualified property" of a corporation means property acquired by the corporation after December 31, 1996, and before January 1, 2003, that is qualified property within the meaning assigned by the definition under subsections 127(9) and (11) of the Federal Act, that has not been used, or acquired for use or lease, for any purpose whatever before it was acquired by the corporation and that is

(i) to be used by the corporation in the Province primarily for the purpose of manufacturing or processing of goods for sale or lease, or

(ii) to be leased by the corporation to a lessee, other than a person exempt from tax under section 149 of the Federal Act, who can reasonably be expected to use the property in the Province primarily for the purpose of manufacturing or processing of goods for sale or lease,

but subclause (ii) does not apply in respect of property that is machinery and equipment unless the property is leased by the corporation in the ordinary course of carrying on a business in the Province and the principal business of the corporation is manufacturing property that it sells or leases.

(2) There may be deducted from the tax otherwise payable pursuant to this Act by a corporation for a taxation year an amount not exceeding the lesser of

(a) the corporation's investment tax credit at the end of the year; and

(b) the tax otherwise payable by the corporation pursuant to this Act for the year.

(2A) Notwithstanding anything contained in this Act,

(a) no capital cost shall be added to the capital cost of qualified property after May 9, 2006; and

(b) the deduction by a corporation pursuant to subsection (2) for an investment tax credit expires the taxation year for the corporation ending in 2009.

(3) Where, in a particular taxation year of a corporation that is a beneficiary under a trust, an amount would, if the trust were a corporation, be determined in respect of the trust under subclause (1)(b)(i) or (iii) for its taxation year ending in that particular taxation year, the portion of that amount that may, having regard to all circumstances, including the terms and conditions of the trust, reasonably be considered to be the corporation's share thereof is the amount required to be added in computing the investment tax credit of the corporation at the end of that particular taxation year.

(4) Where, in a particular taxation year of a corporation that is a member of a partnership, an amount would, if the partnership were a corporation, be determined in respect of the partnership under subclause (1)(b)(i) or (iii) for its taxation year ending in that particular taxation year, the portion of that amount that may reasonably be considered to be the corporation's share thereof is the amount required to be added in computing the investment tax credit of the corporation at the end of that particular taxation year.

(5) Where, in a particular taxation year of a corporation that is a member of a limited partnership, an amount would, if the limited partnership were a corporation, be determined in respect of the limited partnership under subclause (l)(b)(i) or (iii) for its taxation year ending in that particular taxation year, the portion of that amount that may reasonably be considered to be the corporation's share thereof, determined with reference to subsection 127(8.1) of the Federal Act, is the amount required to be added in computing the investment tax credit of the corporation at the end of that particular taxation year.

(6) Where, after December 31, 1996, there has been an amalgamation within the meaning of subsection 87(1) of the Federal Act and one or more of the predecessor corporations had an investment tax credit for any taxation year any portion of which was not deducted by the predecessor corporation in computing its tax otherwise payable under this Act for any taxation year, for the purpose of computing the new corporation's investment tax credit at the end of any taxation year, the new corporation is deemed to be the same corporation as, and a continuation of, each such predecessor corporation.

(7) Where, after December 31, 1996, there has been a winding-up to which subsection 88(1) of the Federal Act applies and the subsidiary had an investment tax credit for any taxation year any portion of which was not deducted by the subsidiary in computing its tax otherwise payable under this Act for any taxation year, and with reference to paragraph 88(1)(e.3) of the Federal Act, for the purpose of computing the parent's investment tax credit at the end of any particular taxation year ending after the subsidiary was wound up, the parent is deemed to be the same corporation as, and a continuation of, the subsidiary.

(8) Subsections 127(9.1) and (9.2) and paragraph (m) of the definition of "investment tax credit" of subsection 127(9) of the Federal Act apply for the purpose of this Section.

(9) The corporation may renounce the investment tax credit in respect of qualified property acquired during the year in whole or in part on or before the time on or before which the corporation is required to file its return of income for the year pursuant to section 150 of the Federal Act and, where the corporation so renounces entitlement to that portion of the credit, the corporation is deemed for all purposes never to have received, to have been entitled to receive or to have had a reasonable expectation of receiving the credit or that part of the credit.

(10) The Governor in Council may make regulations respecting

(a) the capital costs of a qualified property primarily incurred on or before December 31, 2000, which may be deducted pursuant to this Section;

(b) the deduction of capital costs of a qualified property with respect to a project initiated before January 1, 2003, and completed after that date. 2000, c. 4, s. 61; 2001, c. 3, s. 14; 2006, c. 2, s. 26.

Subdivision k - Capital Investment Tax Credit

Capital investment tax credit

49A (1) In this Section,

(a) "approved project" means a project, as defined by the regulations, that satisfies the conditions prescribed by the regulations;

(b) "eligible corporation" means a corporation, as defined by the regulations, that satisfies the conditions prescribed by the regulations;

(c) "government assistance" means government assistance, as defined in subsection 127(9) of the Federal Act, other than a tax credit that may be deducted or claimed pursuant to this Section;

(d) "qualified property", in respect of an eligible corporation, means property acquired by the eligible corporation after December 31, 2014, to be used in the Province, that

(i) is qualified property as defined in subsection 127(9) of the Federal Act, or

(ii) meets the criteria, set out in the regulations made under this Act, to be qualified property.

(2) Where, in respect of a taxation year, a corporation has been issued a tax-credit certificate pursuant to subsection (6), the corporation may deduct from tax otherwise payable in the taxation year the amount specified in the tax-credit certificate.

(3) The amount by which the tax credit referred to in subsection (2) exceeds the corporation's tax payable for the taxation year calculated without reference to this Section may be applied by the Minister to

(a) any tax, interest or penalty owing by the corporation for that or any prior taxation year pursuant to this Act, the income statute of any agreeing province or the Federal Act;

(b) any contribution, penalty or interest owing by the corporation for that or any prior taxation year as a result of payments required from the corporation pursuant to the *Canada Pension Plan*;

(c) any premium, interest or penalty owing by the corporation for that or any prior taxation year pursuant to the *Employment Insurance Act* (Canada),

and the part of the amount not so applied shall be paid to the corporation.

(4) A corporation that has claimed and is eligible for a tax credit under this Section for a taxation year is deemed to have paid, at the time referred to in paragraph 157(1)(b) of the Federal Act, as that paragraph relates to that taxation year, the amount of the credit on account of its tax payable under this Act.

(5) To be eligible to deduct or claim an amount pursuant to this Section for a taxation year, a corporation shall apply, on or before December 31, 2035, in the manner prescribed by the regulations, to the Minister of Finance and Treasury Board of the Province, or a person designated by the Minister of Finance and Treasury Board of the Province, to be issued a tax-credit certificate pursuant to subsection (6).

(6) Where the Minister of Finance and Treasury Board of the Province, or the person designated by the Minister of Finance and Treasury Board of the Province, is satisfied that

(a) the corporation that has applied for a tax-credit certificate pursuant to subsection (5) is an eligible corporation for the taxation year in respect of which the application was made;

(b) each project in respect of which the application was made pursuant to subsection (5) is an approved project; and

(c) the corporation satisfies any other requirements that may be prescribed by the regulations,

a tax-credit certificate shall be issued to the corporation for the taxation year, specifying in respect of each approved project the amount, calculated in accordance with subsections (7) and (7A), of the corporation's tax credit pursuant to this Section.

(7) The amount of a corporation's tax credit, which must be specified in a tax-credit certificate issued pursuant to subsection (6), is equal to 15% of the aggregate of all amounts each of which is the amount by which the capital cost of qualified property acquired by the corporation before October 1, 2022, in the taxation year, in respect of an approved project exceeds the aggregate of all amounts each of which is an amount of government assistance that may reasonably be considered to relate directly to the acquisition of the qualified property.

(7A) The amount of a corporation's tax credit, which must be specified in a tax-credit certificate issued pursuant to subsection (6), is equal to 25% of the aggregate of all amounts each of which is the amount by which the capital cost of qualified property acquired by the corporation on or after October 1, 2022, in the taxation year, in respect of an approved project exceeds the aggregate of all amounts

each of which is an amount of government assistance that may reasonably be considered to relate directly to the acquisition of the qualified property.

(7B) Notwithstanding subsections (7) an (7A), the aggregate amount of tax credits that may be claimed by a corporation in respect of an approved project may not exceed the amount, if any, prescribed by the Minister of Finance and Treasury Board of the Province.

(8) A corporation is not entitled to deduct or claim an amount pursuant to this Section for a taxation year unless the tax-credit certificate issued under subsection (6) is

(a) filed with the corporation's return for the taxation year; or

(b) where the return is filed electronically, held by the corporation and filed with the Minister upon request.

(9) The Minister of Finance and Treasury Board of the Province may revoke a tax-credit certificate issued pursuant to subsection (6) if the project in respect of which the certificate was issued ceases to be an approved project or any information provided by the corporation to obtain the certificate is false or misleading or fails to disclose a material fact.

(10) A certificate revoked pursuant to subsection (9) is void *ab initio*.

(11) Where the Minister of Finance and Treasury Board of the Province determines that any amount paid or applied pursuant to this Section did not qualify as a tax credit of the corporation to which it was paid or for the benefit of which it was applied, that amount is recoverable from the corporation and is a debt due by the corporation to His Majesty in right of the Province.

(12) The Minister of Finance and Treasury Board of the Province, or a person designated by the Minister of Finance and Treasury Board of the Province, shall conduct a review of the tax credit established by this Section on or after December 31, 2018, and prepare a written report of the results of the review no later than December 31, 2019.

(13) The Minister of Finance and Treasury Board of the Province shall table the report referred to in subsection (12) in the Assembly if the Assembly is then sitting or, where the Assembly is not then sitting, file the report with the Clerk of the Assembly.

(14) The Governor in Council may make regulations

(a) governing any matter that may be prescribed pursuant to this Section;

(b) requiring a corporation to supply information or documents respecting any matter required in assessing eligibility and compliance with this Section;

(ba) prescribing criteria for determining when property is considered qualified property pursuant to subclause 49A(1)(d)(ii);

(c) prescribing the criteria for determining whether qualified property is acquired in respect of an approved project;

(d) defining any word or expression used but not defined in this Section;

(e) respecting any matter or thing the Governor in Council considers necessary or advisable to effectively carry out the intent and purpose of this Section.

(14A) The Minister of Finance and Treasury Board of the Province may make regulations prescribing the aggregate amount of tax credits that may be claimed in respect of an approved project and respecting the manner in which the prescribed amount will apply.

(15) A regulation made pursuant to this Section may be made retroactive to a date not earlier than January 1, 2015. 2014, c. 33, s. 14; 2016, c. 2, s. 5; 2022, c. 35, s. 3; 2023, c. 12, s. 3; 2026, c. 3, s. 63.

DIVISION D - DEDUCTIONS AVAILABLE TO ALL TAXPAYERS

Political Contributions

Political contributions

50 **(1)** In this Section,

(a) "candidate" means a person who has been officially nominated as a candidate pursuant to the *Elections Act*;

(b) *repealed 2011, c. 5, s. 369.*

(c) "registered party" means a registered party within the meaning of the *Elections Act*.

(2) In respect of the aggregate amount of contributions, other than contributions exempted by clause 166(d) of the *Elections Act*, made by a taxpayer to candidates and registered parties during the taxation year, that taxpayer may deduct from the amount of tax which that taxpayer would otherwise be required to pay under this Act an amount equal to the lesser of

(a) for the 2006 and previous taxation years,

(i) 75% of the aggregate amount contributed if the aggregate amount contributed does not exceed $100,

(ii) $75 plus 50% of the amount by which the aggregate amount contributed exceeds $100 but does not exceed $550, or

(iii) the lesser of

(A) $300 plus 33-1/3% of the amount by which the aggregate amount contributed exceeds $550, and

(B) $500,

or the amount of the tax payable, whichever is the lesser; and

(b) for the 2007 and subsequent taxation years,

(i) 75% of the aggregate amount contributed to a maximum of $750;[,] or

(ii) the amount of the tax payable,

whichever is the lesser.

(3) Payment of each amount that is included in the aggregate amount of contributions in respect of which a deduction is claimed under subsection (2) shall be proved by filing with the Minister receipts containing prescribed information, signed by the official agent of the registered party or the official agent of the candidate, as the case may be.

(4) *repealed 2011, c. 5, s. 369.*

2000, c. 4, s. 61; 2007, c. 1, s. 9; 2011, c. 5, s. 369.

Food Bank Tax Credit for Farmers

Food bank tax credit for farmers

50A (1) In this Section,

(a) "agricultural product" has the meaning prescribed by the regulations;

(b) "eligible food bank" means a person or entity that

(i) distributes food in the Province without charge for the relief of poverty as part of its mandate,

(ii) is registered as a charity under the Federal Act, and

(iii) satisfies any other conditions prescribed by the regulations;

(c) "eligible person" means

(i) an individual who carries on the business of farming in the Province or the individual's spouse or common-law partner, or

(ii) a corporation that carries on the business of farming in the Province.

(2) A donation is a qualifying donation for a taxation year if

(a) it is a donation of one or more agricultural products produced in the Province by an eligible person; and

(b) it is donated by an eligible person to an eligible food bank.

(3) An eligible person, who is an individual and who was resident in the Province on the last day of a taxation year ending after December 31, 2015, may deduct from the amount of tax otherwise payable for the year a food bank donation tax credit not exceeding the amount determined by the formula

$$A \times B$$

where

A is the sum of the fair market value of each qualifying donation, the fair market value of which was used in calculating the amount deducted by the individual under Section 11 in computing the amount of the individual's tax payable for the year under this Part; and

B is 25 per cent.

(4) An eligible person that is a corporation may deduct from the amount of tax otherwise payable for a taxation year ending after December 31, 2015, a food bank donation tax credit not exceeding the amount determined by the formula

$$A \times B$$

where

A is that part of the person's qualifying donations for the year that was deducted by the person under subsection 110.1(1) of the Federal Act in computing the person's taxable income for the year; and

B is 25 per cent.

(5) A trust is not entitled to a tax credit under this Section.

(6) On or after December 31, 2020, the Minister of Finance and Treasury Board of the Province, or a person designated by the Minister of Finance and Treasury Board of the Province, shall conduct a review of the tax credit established by this Section and prepare a written report of the results of the review no later than December 31, 2021.

(7) The Minister of Finance and Treasury Board of the Province shall table the report referred to in subsection (6) in the Assembly if the Assembly is then sitting or, where the Assembly is not then sitting, file the report with the Clerk of the Assembly.

(8) The Governor in Council may make regulations

(a) governing any matter that may be prescribed pursuant to this Section;

(b) defining any word or expression used but not defined in this Section;

(c) respecting any matter or thing the Governor in Council considers necessary or advisable to carry out effectively the intent and purpose of this Section. 2016, c. 2, s. 6.

DIVISION E - RETURNS, ASSESSMENTS, PAYMENT AND APPEALS

Returns, estimate of tax and assessment

51 Subsection 70(7), except the portion thereof that is after paragraph (a) thereof, sections 150, 150.1 and 151 and subsections 152(1) to (3.1) and (4) to (9), 153(1) to (3), except 153(1.02) to (1.04), and 156.1(4) of the Federal Act apply for the purposes of this Act. 2000, c. 4, s. 61; 2025, c. 6, s. 36.

Where collection agreement

52 When a collection agreement is in effect, notwithstanding that the normal reassessment period for a taxpayer in respect of a taxation year has elapsed, if the tax payable under Part I of the Federal Act by the taxpayer for the year is reassessed, the Minister shall reassess, make additional assessments or assess tax, interest or penalties as the circumstances require. 2000, c. 4, s. 61.

Payment of tax by farmers and fishermen

53 Section 155 of the Federal Act applies for the purpose of this Act. 2000, c. 4, s. 61.

Payment of tax by other individuals

54 (1) Section 156 of the Federal Act applies for the purpose of this Act.

(2) Where, because of subsection 156.1(2) or (3) of the Federal Act, no instalment is required to be made under section 155 or 156 of the Federal Act by an individual for a particular taxation year, the requirements for payment of instalments under Section 53 and subsection (1) do not apply to the individual for that year. 2000, c. 4, s. 61.

Payment of tax by corporation

55 (1) Subsections 157(1), (2), (2.1) and (4) of the Federal Act apply for the purpose of this Act.

(2) Where a collection agreement is in effect, a corporation that pays amounts in respect of a taxation year computed pursuant to subparagraphs 157(1)(a)(i), (ii) or (iii) of the Federal Act and that is required to make payments pursuant to subsection 157(1) of the Federal Act, as it applies for the purpose of this Act, shall pay amounts in respect of the year computed pursuant to the same subparagraph as it applies for the purpose of this Act. 2000, c. 4, s. 61.

Application of Federal Act provisions

56 Subsection 70(2), paragraphs 104(23)(d) and (e), sections 158, 159 and 160, subsections 160.1(1), (3) and (4), sections 160.2 and 160.3, and subsections 161(1) to (7), (9) and (11) of the Federal Act apply for the purpose of this Act. 2000, c. 4, s. 61.

Refund

57 In applying subsection 160.1(1) of the Federal Act for the purpose of this Act, "refund" includes a refund that arises by reason of the provision of this Act

(a) that allows a taxpayer to deduct an amount from the tax payable pursuant to this Act; or

(b) that deems an amount to have been paid by a taxpayer as or on account of the tax payable pursuant to this Act by the taxpayer. 2000, c. 4, s. 61.

Where collection agreement

58 **(1)** Where an individual is deemed under subsection 161(4) of the Federal Act to be liable, in respect of tax payable under Part I of the Federal Act for a taxation year, to pay a part or instalment computed by reference to an amount described in paragraph 161(4)(a), (b) or (c) of the Federal Act, notwithstanding subsection 161(4) of the Federal Act, as it applies for the purposes of this Act, the individual is deemed for the purposes of subsection 161(2) of the Federal Act, as it applies for the purposes of this Act, to be liable to pay, in respect of tax payable under this Act for the year, a part or instalment computed by reference to the same paragraph, as it applies for the purposes of this Act.

(2) Where an individual is deemed under subsection 161(4.01) of the Federal Act to be liable, in respect of tax payable under Part I of the Federal Act for a taxation year, to pay a part or instalment computed by reference to an amount described in paragraph 161(4.01)(a), (b), (c) or (d) of the Federal Act, notwithstanding subsection 161(4.01) of the Federal Act, as it applies for the purposes of this Act, the individual is deemed for the purposes of subsection 161(2) of the Federal Act, as it applies for the purposes of this Act, to be liable to pay, in respect of tax payable under this Act for the year, a part or instalment computed by reference to the same paragraph, as it applies for the purposes of this Act. 2000, c. 4, s. 61.

Penalties

59 Subsections 162(1) to (3), (5), (7) and (11) and section 235 of the Federal Act apply for the purpose of this Act. 2000, c. 4, s. 61.

Failure to report, false statements and omissions

60 Subsection 163(1), subsection 163(2) as it would apply without the references to subsection 120(2) of the Federal Act therein, and subsections 163(2.1), (3) and (4) of the Federal Act apply for the purpose of this Act. 2000, c. 4, s. 61.

Penalty for late or deficient instalments

61 Section 163.1 of the Federal Act applies for the purpose of this Act. 2000, c. 4, s. 61.

Refunds

62 **(1)** Subsections 164(1) to (1.31) and (1.5), (2) and (3) to (7) of the Federal Act apply for the purpose of this Act.

(2) Where a collection agreement is in effect and by reason of a decision referred to in subsection 164(4.1) of the Federal Act a repayment of tax, interest or penalties pursuant to that Act for a taxation year is made to a taxpayer or any security accepted pursuant to that Act for such tax, interest or penalties is surrendered to the taxpayer, subsection 164(4.1) of the Federal Act, as it applies for the purpose of this Act, applies to any overpayment of tax, interest or penalties pursuant to this Act for the year that arises by reason of the decision. 2000, c. 4, s. 61.

Objections

63 Sections 165, 166.1 and 166.2 of the Federal Act apply for the purpose of this Act. 2000, c. 4, s. 61.

DIVISION F - APPEALS TO THE SUPREME COURT OF NOVA SCOTIA

Appeals

64 **(1)** Section 169 of the Federal Act applies for the purpose of this Act.

(2) An appeal from an assessment under this Act may be taken in respect of any question relating,

(a) in the case of an individual, to the determination of

(i) the individual's residence for the purposes of this Act,

(ii) the individual's income earned in the taxation year in the Province, as defined in clause 7(c), and the individual's income for the year, as defined in clause 7(e),

(iii) the amount of tax payable for a taxation year to the extent that tax payable is based on the tax payable under the Federal Act for that year, as defined in clause 7(g), and the amount of tax payable for a taxation year to the extent that tax payable is based on the individual's taxable income under the Federal Act for that year, or

(iv) any credit against, or deduction from, tax payable by the individual under this Act as provided for in this Act; and

(b) in the case of a corporation, to the determination of

(i) its taxable income earned in the year in the Province, as defined in subsection 40(3), or

(ii) the amount of tax payable for a taxation year based on the taxable income of the corporation for that year,

but no appeal from an assessment lies in respect of the computation of the tax payable under the Federal Act, as defined in clause 7(g), of the taxable income of an individual or of the taxable income of a corporation.

(3) An appeal to the Court shall be instituted by serving upon the Minister of Finance a notice of appeal in duplicate in prescribed form and by filing a copy thereof with the registrar of the Court or the local registrar of the Court for the county or district in which the taxpayer resides.

(4) A notice of appeal shall be served upon the Minister of Finance by being sent by registered mail addressed to the deputy head.

(5) The taxpayer appealing shall set out in the notice of appeal a statement of the allegations of fact, the statutory provisions and the reasons that the taxpayer intends to submit in support of the taxpayer's appeal.

(6) The taxpayer appealing shall pay to the registrar of the Court a fee of fifteen dollars upon the filing of the copy of the notice of appeal with the registrar. 2000, c. 4, s. 61.

Reply of Minister

65 **(1)** The Minister of Finance shall, within sixty days from the day the notice of appeal is received, or within such further time as the Court or a judge thereof may either before or after the expiration of that time allow, serve on the appellant and file in the Court a reply to the notice of appeal admitting or denying the facts alleged and containing a statement of such further allegations of fact and of such statutory provisions and reasons as the Minister of Finance intends to rely on.

(2) The Court or a judge may, in the Court's or the judge's discretion, strike out a notice of appeal or any part thereof for failure to comply with subsection 64(5) and may permit an amendment to be made to a notice of appeal or a new notice of appeal to be substituted for the one struck out.

(3) The Court or a judge may, in the Court's or the judge's discretion,

(a) strike out any part of a reply for failure to comply with this Section or permit the amendment of a reply; and

(b) strike out a reply for failure to comply with this Section and order a new reply to be filed within a time to be fixed by the order.

(4) Where a notice of appeal is struck out for failure to comply with subsection 64(5) and a new notice of appeal is not filed as and when permitted by the Court or a judge, the Court or a judge thereof may, in the Court's or the judge's discretion, dispose of the appeal by dismissing it.

(5) Where a reply is not filed as required by this Section or is struck out under this Section and a new reply is not filed as ordered by the Court or a judge within the time ordered, the Court may dispose of the appeal *ex parte* or after a hearing on the basis that the allegations of fact contained in the notice of appeal are true. 2000, c. 4, s. 61.

Appeal deemed action in Court

66 **(1)** Upon the filing of the material referred to in Sections 64 and 65, the matter is deemed to be an action in the Court and, unless the Court otherwise orders, ready for hearing.

(2) Any fact or statutory provision not set out in the notice of appeal or reply may be pleaded or referred to in such manner and upon such terms as the Court may direct. 2000, c. 4, s. 61.

Irregularities, extension of time and disposal of appeal

67 Sections 166, 167, 171, 179 and 179.1 of the Federal Act apply for the purpose of this Act. 2000, c. 4, s. 61.

Practice and procedure

68 Except as provided in regulations prescribed by the Governor in Council, the practice and procedure of the Court apply to every matter deemed to be an action under Section 66 and every judgment and order given or made in every such action may be enforced in the same manner and by the like process as a judgment or order given or made in an action commenced in the Court. 2000, c. 4, s. 61.

PART III - FINANCIAL INSTITUTIONS CAPITAL TAX

Interpretation of Part

69 (1) In this Part,

(a) "authorized foreign bank" means an authorized foreign bank as defined in section 2 of the *Bank Act* (Canada);

(b) "Canadian banking business" means a business carried on by an authorized foreign bank through a permanent establishment in Canada;

(c) "capital", in the case of a financial institution other than an authorized foreign bank, means its capital for a taxation year that is the amount, if any, by which the total at the end of the year of

(i) the amount of its long-term debt,

(ii) the amount of its capital stock or, in the case of an institution incorporated without share capital, the amount of its members' contributions,

(iii) retained earnings, contributed surplus and other surpluses, and

(iv) the amount of its reserves for the year except to the extent that the reserves were deducted in computing its income under Part I of the Federal Act for the year,

exceeds the total at the end of the year of

(v) the amount of any deficit deducted in computing its shareholders' equity, including for this purpose, the amount of any provision for the redemption of preferred shares, and

(vi) the amount of its deferred tax debit balance;

(d) "capital deduction" means the amount, if any, determined under the regulations;

(e) "financial institution" means

(i) a corporation that is a bank to which the *Bank Act* (Canada) applies,

(ii) a trust company within the meaning of the *Trust and Loan Companies Act*, or

(iii) a loan company within the meaning of the *Trust and Loan Companies Act*;

(f) "guidelines" means the risk-weighting guidelines issued by the superintendent;

(g) "long-term debt" means a financial institution's subordinated indebtedness evidenced by obligations issued for a term of not less than five years;

(h) "reserves" means reserves as defined in section 190 of the Federal Act;

(i) "subordinated indebtedness" means subordinated indebtedness as defined in the *Bank Act* (Canada) with those changes that the circumstances may require;

(j) "superintendent" means the federal Superintendent of Financial Institutions;

(k) "taxable capital" means the amount, if any, by which the capital of a financial institution for the year exceeds its capital deduction;

(l) "taxable capital employed in the Province for the year" means the amount equal to the financial institution's taxable capital multiplied by the ratio for allocating taxable income earned in the year in the Province as determined under Part IV of the Federal Regulations.

(2) Notwithstanding clause (1)(c), in the case of an authorized foreign bank, "capital" means the total of

(a) 10% of the total of all amounts, each of which is the risk-weighted amount at the end of the year of an on-balance sheet asset or an off-balance sheet exposure of the bank in respect of its Canadian banking business that the bank would be required to report under the guidelines if those guidelines applied and required a report at that time; and

(b) the total of all amounts, each of which is an amount at the end of the year in respect of the bank's Canadian banking business that

(i) if the bank were a bank listed in Schedule II to the *Bank Act* (Canada), would be required under the risk-based capital adequacy guidelines issued by the superintendent and applicable at that time to be deducted from the bank's capital in determining the amount of capital available to satisfy the superintendent's requirement that capital equal a particular proportion of risk-weighted assets and exposures, and

(ii) is not an amount in respect of a loss protection facility required to be deducted from capital under the superintendent's guidelines respecting asset securitization applicable at that time.

(3) Subsection 190(2) and sections 190.2 and 190.21 of the Federal Act apply to this Part with those modifications that the circumstances may require. 2021, c. 6, s. 28.

Liability to pay tax

70 (1) For tax years ending before November 1, 2026, every financial institution with a permanent establishment in the Province at any time during a taxation year shall pay a tax under this Part for the taxation year equal to 4% of its taxable capital employed in the Province for the year.

(1A) For tax years ending on or after November 1, 2026, every financial institution with a permanent establishment in the Province at any time during a taxation year shall pay a tax under this Part for the taxation year equal to 6% of its taxable capital employed in the Province for the year.

(2) The amount of tax payable under this Part may not be reduced by a tax credit provided under this Act. 2021, c. 6, s. 28; 2026, c. 3, s. 64.

Regulations

71 The Governor in Council may make regulations

(a) respecting the amount of the capital deduction that may be claimed by a financial institution;

(b) respecting the allocation of a corporation's capital deduction among financial institutions related to it;

(c) respecting any matter or thing to be prescribed pursuant to this Part;

(d) defining any word or expression used but not defined in this Part;

(e) respecting any matter or thing that the Governor in Council considers necessary or advisable to carry out effectively the intent and purpose of this Part. 2021, c. 6, s. 28.

Partial year

72 Where a taxation year of a corporation is less than 51 weeks, the tax payable determined under Section 70 for the year in respect of the corporation is reduced to that proportion of that amount that the number of days in the taxation year is of 365. 2021, c. 6, s. 28.

Application of Part

73 This Part applies to every taxation year beginning after the coming into force of this Part. 2021, c. 6, s. 28.

74 to **78A** *repealed 2021, c. 6, s. 28*.

PART IV - ADMINISTRATION AND ENFORCEMENT

Administration

Application of Federal Act administration provisions

79 Sections 220, 221.1, 224, 225.1 and 225.2 of the Federal Act apply for the purpose of this Act. 2000, c. 4, s. 61.

Regulations

80 **(1)** The Governor in Council may make regulations

(a) prescribing anything that, by this Act, is to be prescribed or is to be determined or regulated by regulation;

(aa) establishing a refund of tax for individuals in prescribed skilled occupations;

(ab) prescribing the eligibility criteria and payment amounts for the refund established under clause (aa);

(b) defining the Nova Scotia Child Benefit Program, the Nova Scotia Affordable Living Tax Credit and the Nova Scotia Poverty Reduction Credit;

(c) prescribing the eligibility criteria and payment amounts for the Nova Scotia Child Benefit Program, the Nova Scotia Affordable Living Tax Credit and the Nova Scotia Poverty Reduction Credit;

(d) prescribing anything necessary or advisable to enable His Majesty in right of Canada to administer, on behalf of His Majesty in right of the Province, the Nova Scotia Child Benefit Program, the Nova Scotia Affordable Living Tax Credit and the Nova Scotia Poverty Reduction Credit;

(e) providing in any case of doubt the circumstances in which, and the extent to which, the Federal Regulations apply;

(f) generally to carry out the purposes and the provisions of this Act.

(2) Except to the extent that they are inconsistent with any regulations made under subsection (1) or are expressed by any regulation made under subsection (1) to be inapplicable, the Federal Regulations made under subsection 221(1) of the Federal Act apply *mutatis mutandis* for the purposes of this Act with respect to all matters enumerated in that subsection.

(3) No regulation made under this Act or under the Federal Act where it is applicable *mutatis mutandis* has effect for the purposes of this Act until it has been published in the Royal Gazette or the Canada Gazette, as the case may be, but, when so published, a regulation shall, if it so provides, be effective with reference to a period before it was published.

(3A) A regulation made pursuant to clause (1)(aa) or (ab) may be made retroactive to a day not earlier than January 1, 2022.

(3B) The Minister of Finance and Treasury Board of the Province may make regulations establishing additional or alternative criteria for eligible employers and eligible positions in relation to the refund established in regulations made under clause (1)(aa).

(4) Regulations made under this Act are regulations within the meaning of the *Regulations Act*. 2000, c. 4, s. 61; 2010, c. 3, s. 8; 2022, c. 4, s. 4; 2024, c. 3, s. 70.

Anti-avoidance rules

80A (1) In this Section,

(a) "avoidance transaction" means a transaction

(i) that, but for this Section, would result, directly or indirectly, in a tax benefit, or

(ii) that is part of a series of transactions, which series, but for this Section, would result, directly or indirectly, in a tax benefit,

but does not include a transaction that may reasonably be considered

(iii) to have been undertaken or arranged primarily for *bona fide* purposes, or

(iv) to be a transaction that would not result, directly or indirectly, in a misuse of the provisions of this Act or an abuse having regard to the provisions of this Act, other than this Section, read as a whole;

(b) "*bona fide* purposes" does not include transactions undertaken or arranged primarily for one or more of the following:

(i) to obtain a tax benefit,

(ii) to reduce, avoid or defer a tax, or another amount payable as or in respect of tax, under any other federal or provincial Act,

(iii) to increase a refund of tax, or of another amount in respect of tax, under any other federal or provincial Act;

(c) "tax benefit" means

(i) a reduction, avoidance or deferral of tax, or of another amount, payable under this Act,

(ii) an increase in a refund of tax, or of another amount, under this Act;

(d) "tax consequences" to a person means

(i) the amount of the person's

(A) income for the year, within the meaning of Section 7,

(B) loss,

(C) taxable income,

(D) taxable income earned in Canada,

(E) income earned in the taxation year in the Province, within the meaning of Section 7,

(F) income earned in the taxation year outside the Province, within the meaning of Section 7, or

(G) taxable income earned in the year in the Province, within the meaning of Section 40, or

(ii) any amount, other than an amount referred to in subclause (i), that is payable or refundable to the person under this Act or that is relevant for the purposes of determining any other amount referred to in this Section;

(e) "transaction" includes an arrangement or event.

(2) Where a transaction is an avoidance transaction, the tax consequences to a person must be determined in a manner that is reasonable in the circumstances in order to deny a tax benefit that, but for this Section, would result, directly or indirectly, from that transaction or from a series of transactions that includes that transaction.

(3) Without limiting subsection (2),

(a) any amount deducted in computing an amount referred to in the definition of "tax consequences" in subsection (1) may be allowed or disallowed in whole or in part;

(b) any deduction referred to in clause (a) or any other amount used in determining an amount payable or refundable under this Act may be allocated to any person;

(c) the nature of any payment or other amount may be recharacterized; and

(d) the tax effects that would otherwise result from the application of other provisions of this Act may be ignored,

in determining the tax consequences to a person in a manner that is reasonable in the circumstances in order to deny a tax benefit that would, but for this Section, result, directly or indirectly, from an avoidance transaction.

(4) Where a notice of assessment, reassessment or additional assessment reflecting the application of subsection (2) to a transaction has been sent to a person, or a notice of determination has been sent to the person, any other person is entitled, within one hundred and eighty days after the date of the mailing of that notice, to request in writing that the Minister make an assessment, reassessment or additional assessment applying subsection (2) or otherwise make a determination respecting returns of income, assessments of tax, withholdings of tax or reassessments of tax.

(5) On receipt of a request by a person under subsection (4), the Minister shall consider the request and make an assessment, reassessment, additional assessment or a determination with respect to the person, notwithstanding the expiry of any time limits, except that an assessment, reassessment, additional assessment or a determination may be made under this subsection only to the extent that it may be reasonably regarded as relating to a transaction referred to in subsection (4).

(6) The tax consequences to any person, after the application of this Section, may only be determined through a notice of assessment, reassessment or additional assessment or determination under Section 51 or 52. 2005, c. 6, s. 25.

Restriction on issuance of tax-credit certificate

80B The Minister of Finance and Treasury Board of the Province may not issue a tax-credit certificate to a taxpayer pursuant to this Act if, in the opinion of the Minister of Finance and Treasury Board of the Province,

(a) any information provided by the taxpayer to obtain the certificate is false, misleading or fails to disclose a material fact; or

(b) the taxpayer has not complied with any provision of this Act or the regulations or the spirit and intent of this Act or the regulations. 2016, c. 2, s. 7.

Enforcement

Application of Federal Act collection provisions

81 Section 222 of the Federal Act applies for the purpose of this Act. 2000, c. 4, s. 61.

Application of certain Federal Act provisions

82 (1) Subsection 223(1), except paragraphs (b), (b.1), (c) and (d) thereof, and subsections 223(2) to (4) of the Federal Act apply for the purpose of this Act.

(2) Where a collection agreement is in effect, subsection (1) does not apply, but the Minister may proceed pursuant to section 223 of the Federal Act for the purpose of collecting any amount payable pursuant to this Act by a taxpayer. 2000, c. 4, s. 61.

Warrant to recover amount payable

83 The Minister of Finance may issue a warrant directed to the sheriff of any county or district in which any property of the taxpayer is located or situate, for the amount of the tax, interest and penalty, or any of them, owing by the taxpayer, together with interest thereon from the date of the issue of the warrant and the costs, expenses and poundage of the sheriff, and such warrant shall have the same force and effect as an execution order issued out of the Court. 2000, c. 4, s. 61.

Acquisition of debtor's property

84 Section 224.2 of the Federal Act applies for the purpose of this Act. 2000, c. 4, s. 61.

Payment of moneys seized from tax debtor

85 Section 224.3 of the Federal Act applies for the purposes of this Act. 2000, c. 4, s. 61.

Seizure of chattels

86 Section 225 of the Federal Act applies for the purpose of this Act. 2000, c. 4, s. 61.

Taxpayer leaving Canada

87 Section 226 of the Federal Act applies for the purpose of this Act. 2000, c. 4, s. 61.

Withholding taxes

88 (1) Subsections 227(1) to (5.2), (8), (8.2) to (9), (9.2), and (9.4) to (13) of the Federal Act apply for the purpose of this Act.

(2) The Minister may assess

(a) any person for any amount that has been deducted or withheld by that person pursuant to this Act or a regulation or pursuant to a provision of the Federal Act or of the Federal Regulations that applies for the purpose of this Act; and

(b) any person for any amount payable by that person pursuant to subsection 224(4) or (4.1), section 227.1 or 235 of the Federal Act, as they apply for the purpose of this Act, or Section 92,

and, where the Minister sends a notice of assessment to that person, Sections 51 and 56 to 68 are applicable with such modifications as the circumstances require.

(3) Notwithstanding any other provision of this Act or any other enactment, the penalty for failure to remit an amount required to be remitted by a person on or before the day prescribed in the Federal Regulations made for the purposes of subsection 153(1) of the Federal Act, as both those regulations and that subsection apply for the purposes of this Act, shall, unless the person required to remit the amount has, knowingly or under circumstances that amount to gross negligence, delayed in remitting the amount or has, knowingly or under circumstances that amount to gross negligence, remitted an amount less than the amount required to be remitted, apply only to the amount by which the total of all amounts so required to be remitted on or before that day exceeds five hundred dollars. 2000, c. 4, s. 61.

Liability of directors for failure to deduct

89 Section 227.1 of the Federal Act applies for the purpose of this Act. 2000, c. 4, s. 61.

Application of general provisions

90 Section 230 of the Federal Act applies for the purpose of this Act. 2000, c. 4, s. 61.

Application of certain Federal Act provisions

91 (1) Sections 231 to 231.5 of the Federal Act apply for the purpose of this Act.

(2) Sections 232, 233 and 236 of the Federal Act apply for the purpose of this Act. 2000, c. 4, s. 61.

Violation of regulations under Federal Act

92 (1) Every person who fails to comply with a regulation made under paragraph 221(1)(d) or (e) of the Federal Act as it applies by virtue of subsection 80(2) is liable in respect of each failure to so comply to a penalty of ten dollars a day for each day of default but not exceeding in all two thousand five hundred dollars.

(2) Every person who fails to comply with a regulation made under Section 80 or incorporated by reference by virtue of subsection (2) thereof is liable to a penalty of ten dollars a day for each day of default but not exceeding in all two thousand five hundred dollars. 2000, c. 4, s. 61.

Offences

Failure to file

93 **(1)** Every person who fails to file a return as and when required by or pursuant to this Act or a regulation, or by or pursuant to a provision of the Federal Act or of the Federal Regulations as the provision applies for the purpose of this Act, or who fails to comply with any of subsections 153(1), 227(5) and 230(3), (4) and (6) and sections 231 to 231.5 and 232 of the Federal Act, as it applies for the purpose of this Act, or with an order made pursuant to subsection (2), is guilty of an offence and, in addition to any penalty otherwise provided, is liable on summary conviction to

(a) a fine of not less than one thousand dollars and not more than twenty-five thousand dollars; or

(b) both the fine referred to in clause (a) and imprisonment for a term not exceeding twelve months.

(2) Subsection 238(2) of the Federal Act applies for the purpose of this Act.

(3) Where a person is convicted pursuant to this Section for failure to comply with a provision of this Act or a regulation or a provision of the Federal Act or of the Federal Regulations that applies, for the purpose of this Act, that person is not liable to a penalty pursuant to subsection 227(8), (8.5), (9) or (9.5) of the Federal Act, as those subsections apply for the purpose of this Act, or pursuant to Section 59 or 92 for the same failure unless that person was assessed for that penalty or that penalty was demanded from that person before the information or complaint giving rise to the conviction was laid or made. 2000, c. 4, s. 61.

Offences

94 Subsections 239(1) and (1.1) of the Federal Act apply for the purpose of this Act. 2000, c. 4, s. 61.

Where collection agreement

95 Where a collection agreement is entered into and proceedings under section 238 or 239 of the Federal Act are taken against any person, the Minister may take or refrain from any action against such person contemplated by Section 93 or 94, as the case may be. 2000, c. 4, s. 61.

Revealing confidential information

96 **(1)** Every person who, while employed in the administration of this Act,

(a) knowingly communicates or knowingly allows to be communicated to any person not legally entitled thereto any information obtained by or on behalf of the Minister for the purpose of this Act;

(b) knowingly allows any person not legally entitled thereto to inspect or to have access to any book, record, writing, return or other document obtained by or on behalf of the Minister for the purpose of this Act; or

(c) knowingly uses, other than in the course of that person's duties in connection with the administration or enforcement of this Act, any information obtained by or on behalf of the Minister for the purpose of this Act,

is guilty of an offence and liable on summary conviction to a fine not exceeding five thousand dollars or to imprisonment for a term not exceeding twelve months or to both a fine and imprisonment.

(2) Subsection (1) does not apply to the communication of information between

(a) the Minister of National Revenue for Canada and the Minister of Finance and Treasury Board of the Province;

(b) the Minister of Finance and Treasury Board of the Province or the Minister of National Revenue for Canada, acting on behalf of the Province, and the provincial treasurer, provincial secretary-treasurer, or minister of finance of the government of

(i) an agreeing province, or

(ii) a non-agreeing province, as defined in clause 105(1)(c), to which an adjusting payment may be made under subsection 105(2); or

(c) the Minister of National Revenue for Canada and the Minister of Finance for Canada, where that information is provided pursuant to subsection ~~96(3)~~ [(3)].

(3) The Minister of National Revenue for Canada may provide any information obtained by or on behalf of the Province for the purpose of this Act to an official of the Minister of Finance for Canada solely for the purpose of the formulation or evaluation of fiscal policy. 2000, c. 4, s. 61; 2014, c. 34, s. 21; 2021, c. 6, s. 29.

Officers, etc., of corporations

97 Section 242 of the Federal Act applies for the purpose of this Act. 2000, c. 4, s. 61.

Power to decrease punishment

98 Section 243 of the Federal Act applies for the purpose of this Act. 2000, c. 4, s. 61.

Procedure and Evidence

Procedure and evidence

99 (1) Subsections 244(1) to (5), (7) to (11), (13) to (18), and (20) to (22) of the Federal Act apply for the purpose of this Act.

(2) Judicial notice shall be taken of

(a) all orders or regulations made under this Act; and

(b) a collection agreement entered into under this Act or any agreement for the collection by Canada of the tax imposed under the income tax statute of an agreeing province,

without such orders, regulations or agreements being specially pleaded or proven.

(3) For the purpose of this Act, anything sent by first-class mail or its equivalent is deemed to have been received by the person to whom it is sent on the day that it was mailed except that a remittance of an amount deducted or withheld as required by this Act or a regulation or by a provision of the Federal Act or of the Federal Regulations, that applies for the purpose of this Act, as it applies for the purpose of this Act, is deemed to have been remitted on the day it is received by the Minister of Finance.

(4) A document purporting to be a collection agreement entered into under this Act or an agreement with Canada for the collection of tax imposed under the income tax statute of an agreeing province that is

(a) published in the Canada Gazette; or

(b) certified as such by or on behalf of

(i) the Minister of Finance, or

(ii) the provincial treasurer, the provincial secretary-treasurer or the minister of finance of the appropriate agreeing province,

shall be received as *prima facie* evidence of the contents thereof.

(5) Every certificate by the Minister of Finance as to

(a) a taxpayer's tax payable under the Federal Act, as defined in clause 7(g);

(b) a taxpayer's income for the year, as defined in clause 7(e); or

(c) the taxable income of a corporation,

is *prima facie* evidence that a taxpayer's tax payable under the Federal Act, a taxpayer's income for the year or the taxable income of a corporation, as the case may be, is in the amount set out therein.

(6) Where a collection agreement is entered into, any document or certificate that is executed or issued by the Minister, the Commissioner of Customs and Revenue, or an official of the Canada Customs and Revenue Agency on behalf or in place of the Minister of Finance, the Minister of Finance's deputy or an officer of the Minister of Finance's Department, is deemed, for all purposes of this Act, to be executed or issued by the Minister or Finance, the Minister of Finance's deputy or an officer of the Minister of Finance's Department, as the case may be.

(7) Where no collection agreement is entered into, a reference in this Section to the Royal Canadian Mounted Police shall be construed as a reference to the police force carrying out the duties of a provincial police in the Province. 2000, c. 4, s. 61.

Tax avoidance

100 Sections 245 and 246 of the Federal Act apply for the purposes of this Act. 2000, c. 4, s. 61.

PART V - COLLECTION OF TAX

Subdivision a - Collection Agreement

Ratification of Collection Agreement

101 (1) The Collection Agreement entered into between the Government of Canada and the Government of the Province on December 29, 1961, is ratified and confirmed, and any reference in the said Collection Agreement to Chapter 3 of the Acts of 1961, the *Individual and Corporation Income Tax Act*, shall be read and construed as a reference to this Act.

(2) The Minister of Finance and Treasury Board for the Province may, on behalf of the Government of the Province,

(a) enter into an agreement amending the terms and conditions of the Collection Agreement referred to in subsection (1);

(b) enter into a new collection agreement; or

(c) enter into an agreement amending the terms and conditions of the new collection agreement referred to in clause (b).

(3) Without in any way limiting Chapter 10 of the Acts of 1961, the *Tax Collection Agreement (1961) Act*, when a collection agreement is in effect, the Minister of National Revenue for Canada on behalf of the Minister of Finance and Treasury Board for the Province may employ all the powers, perform all the duties, and exercise any discretion that the Minister of Finance or the deputy head has under this Act, including the discretion to refuse to permit the production in judicial or other proceedings in the Province of any document that is not, in the opinion of the Minister of National Revenue for Canada, in the interests of public policy to produce.

(4) Without in any way limiting Chapter 10 of the Acts of 1961, the *Tax Collection Agreement (1961) Act*, when a collection agreement is in effect, the Commissioner of Customs and Revenue may

(a) employ all the powers, perform the duties and exercise any discretion that the Minister has under subsection (3) or otherwise under this Act; and

(b) designate officers of the Canada Customs and Revenue Agency to carry out such functions, duties and powers as are similar to those that are exercised by them on behalf of the Commissioner of Customs and Revenue under the Federal Act. 2000, c. 4, s. 61; 2014, c. 34, s. 22.

Payments on Account

Application of tax payment

102 (1) A collection agreement may provide that where a payment is received by the Minister of Finance on account of tax payable by a taxpayer for a taxation year under this Act, the Federal Act or an income tax statute of another agreeing province, or under any two or more of such Acts or statutes, the payment so received may be applied by the Minister towards the tax payable by the taxpayer under any such Act or statute in such manner as may be specified in the agreement, notwithstanding that the taxpayer directed that the payment be applied in any other manner or made no direction as to its application.

(2) Any payment or part thereof applied by the Minister in accordance with a collection agreement towards the tax payable by a taxpayer for a taxation year under this Act

(a) relieves the taxpayer of liability to pay such tax to the extent of the payment or part thereof so applied; and

(b) is deemed to have been applied in accordance with a direction made by the taxpayer. 2000, c. 4, s. 61.

Deductions at Source

Restriction on application of tax payment

103 Where a collection agreement is in effect and an amount is remitted to the Minister pursuant to subsection 153(1) of the Federal Act, as it applies for the purpose of this Act, on account of the tax of an individual who is resident on the last day of the taxation year in another agreeing province

(a) no action lies for recovery of such amount by that individual; and

(b) the amount may not be applied in discharge of any liability of that individual under this Act. 2000, c. 4, s. 61.

Restriction on application of tax payment

104 (1) Where a collection agreement is entered into, an individual resident in the Province on the last day of the taxation year is not required to remit any amount on account of tax payable by the individual under this Act for the taxation year to the extent of the amount deducted or withheld on account of the individual's tax for that year under the income tax statute of another agreeing province.

(2) Where the total amount deducted or withheld on account of tax payable under this Act and under the income tax statute of another agreeing province by an individual resident in the Province on the last day of the taxation year to whom subsection (1) applies exceeds the tax payable by the individual under this Act for that year, the provisions of the Federal Act that apply for the purposes of this Act because of Section 62 apply in respect of such individual as though the excess were an overpayment under this Act. 2000, c. 4, s. 61.

Subdivision b - Non-agreeing Provinces

Non-agreeing provinces

105 **(1)** In this Section,

(a) "adjusting payment" means a payment, calculated in accordance with this Section, made by or on the direction of the Province to a non-agreeing province;

(b) "amount deducted or withheld" does not include any refund made in respect of that amount;

(c) "non-agreeing province" means a province that is not an agreeing province.

(2) Where, in respect of a taxation year a non-agreeing province is authorized to make a payment to the Province that, in the opinion of the Minister of Finance corresponds to an adjusting payment, the Governor in Council may authorize the Minister of Finance to make an adjusting payment to that non-agreeing province and enter into any agreement that may be necessary to carry out the purposes of this Section.

(3) When a collection agreement is in effect, an adjusting payment that may be made pursuant to subsection (2) may be made by the Government of Canada, where it has agreed to act on the direction of the Province, as communicated by the Minister of Finance and Treasury Board for the Province to the Minister of National Revenue for Canada.

(4) The adjusting payment to be made under this Section shall be in an amount that is equal to the aggregate of the amounts deducted or withheld under subsection 153(1) of the Federal Act, as it applies for the purpose of this Act, in respect of the tax payable for a taxation year by individuals who

(a) file returns under the Federal Act;

(b) are taxable thereunder in respect of that year; and

(c) are resident on the last day of that year in the non-agreeing province to which the adjusting payment is to be made.

(5) Where an adjusting payment is to be made to a non-agreeing province and there has been an amount deducted or withheld under subsection 153(1) of the Federal Act, as it applies for the purpose of this Act, on account of the tax for a taxation year of an individual who is taxable under the Federal Act in respect of that year and who is resident on the last day of that taxation year in the non-agreeing province,

(a) no action lies for the recovery of such amount by that individual; and

(b) the amount may not be applied in discharge of any liability of that individual under this Act.

(6) Where an adjusting payment to a non-agreeing province is to be made under this Section for a taxation year, an individual resident in the Province on the last day of the taxation year is not required to remit any amount on account of income tax payable, or that might have been payable, by the individual under this

Act for the taxation year to the extent of the amount deducted or withheld on account of the individual's income tax for that year under the law of that non-agreeing province.

(7) Where an adjusting payment to a non-agreeing province is to be made under this Section for a taxation year and the total amount deducted or withheld on account of the tax payable under this Act and on account of the income tax payable under the law of the non-agreeing province by an individual resident in the Province on the last day of the taxation year to whom subsection (6) applies exceeds the tax payable by the individual under this Act for that year, the provisions of the Federal Act that apply for the purposes of this Act because of Section 62 apply in respect of such individual as though the excess were an overpayment under this Act.

(8) Where a collection agreement is entered into and the Government of Canada has agreed in respect of a taxation year to carry out the direction of the Province and to make an adjusting payment on behalf of the Province, the adjusting payment

(a) shall be made out of any money that has been collected on account of tax under this Act for any taxation year; and

(b) shall be the amount calculated by the Minister to be the amount required to be paid under subsection (4),

and the payment thereof discharges any obligation the Government of Canada may have with respect to the payment to the Province of any amount deducted or withheld under subsection 153(1) of the Federal Act, as it applies for the purpose of this Act, to which subsection (5) applies. 2000, c. 4, s. 61; 2014, c. 34, s. 23.

Subdivision c - Reciprocal Enforcement of Judgments

Regulations

106 The Governor in Council may make regulations to enable the enforcement of judgments in respect of taxes in agreeing provinces to be enforced in the Province. 2000, c. 4, s. 61.

PART VI - OFFSHORE AREA

No payment by corporation for offshore area profits

107 (1) In this Section, "offshore area" means Sable Island and the submarine area of the Province that is between the inner limits and the outer limits described in the Schedule, as amended from time to time, of the *Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation and Offshore Renewable Energy Management (Nova Scotia) Act*.

(2) No tax is payable under this Act for a taxation year by a corporation in respect of the taxable income earned by the corporation in the year in the offshore area until the Legislature otherwise determines. 2000, c. 4, s. 61; 2024, c. 5, s. 97; 2025, c. 6, s. 37.