

Financial Measures Act 2007— Tax, Fee and other Legislative Changes

The Financial Measures Act supports a number of measures in the 2007-08 Nova Scotia budget. It also includes changes to a number of laws.

Tax Measures

Post-Secondary Graduate Tax Credit

In January 2007, Nova Scotia implemented the Graduate Tax Credit. This credit is available to anyone living and working in Nova Scotia who graduated from an eligible post-secondary program on or after January 1, 2006. For those who graduated in 2006, and will graduate in 2007, this credit could reduce Nova Scotia income taxes by \$1,000.

For graduates in 2008 and beyond, the Province will increase its graduate tax credit from \$1,000 to \$2,000.

The Financial Measures Act 2007 also formalizes the administrative process for the post-secondary graduate tax credit.

Digital Media

Nova Scotia will introduce a Digital Media Tax Credit for the digital media industry. This will provide a refundable tax credit of 35 per cent of qualifying expenditures, and an additional 5 per cent on qualifying expenditures made in eligible geographic locations.

The details of the Digital Media Tax Credit will be outlined through regulations.

Volunteer Firefighters Tax Credit

For the 2007 tax year, Nova Scotia will introduce a new \$250 refundable tax credit for volunteer firefighters. This tax credit will increase to \$375 in 2008 and to \$500 in 2009.

Tours and Conventions Incentive

The Province will establish a Foreign Convention and Tour Incentive Program to rebate the provincial portion of the HST, in line with the Government of Canada's new Foreign Convention and Tour Incentive Program.

Labour Sponsored Venture Capital (LSVC) Tax Credit

Amendments are being made to increase the LSVC credit from \$1,000 to \$2,000 for an investment made on or after a date to be determined.

Tobacco Taxes

Effective March 24, 2007, provincial tobacco taxes increased by

- 1 cent per cigarette, or the equivalent of \$2 per carton
- 1 cent on pre-portioned tobacco sticks
- 1 cent per gram on fine-cut tobacco

Changes to Legislated Fees and Charges

Some fees and charges are authorized by legislation, therefore legislative change is required to modify them.

The 2007 Financial Measures Act includes amendments to change

- charges under the Corporations Registration Act
- under the Motor Vehicle Act, the fee for the reinstatement of a driver's licence following an alcohol-related offence
- under the Payment into Court Act, the rate of interest retained for services of administering funds
- charges under the Personal Property Security Act
- charges under the Probate Act
- charges under the Trust and Loan Companies Act

For exact changes to the fees and charges, please refer to *Changes to User Fees and Government Charges, 2007-2008*, on the Department of Finance's website at www.gov.ns.ca/finance.

Licence Fees

Securities Act

Revisions are being made to clarify that application and filing fees charged under this Act are intended to be licence fees to raise revenue for the Province.

Liquor Control Act

Revisions are being made, similar to the Securities Act, to clarify that the licence fees paid under the Act and regulations are intended to raise revenue for the Province.

Housekeeping Changes

- **Income Tax Act**—A number of changes are being made after consultation with the Canada Revenue Agency to clarify the administration of the Income Tax Act.
- **Equity Tax Credit Act**—Changes amend the filing requirement for a community economic development corporation.
- **Dividend Tax Credit**—specify the dividend received on dividend income, as announced in 2006
- **Wind Turbine Facilities Municipal Taxation Act**—revisions to change the date of commissioning to March 1, 2005.

Other

Freedom of Information and Protection of Privacy Act

Under the Act, there are fees associated with accessing certain information. As recommended by the *Freedom of Information and Protection of Privacy Act Advisory Committee Report*, two of those fees will be eliminated:

- fees associated with the first two hours spent locating and retrieving a record, for a savings of \$60 (\$30/hour)
- \$25 FOIPOP appeal (or review) fee

Municipal Government Act

Changes under this Act mirror those made under the Freedom of Information and Protection of Privacy Act.

Public Service Superannuation Act

This Act is being amended to include the 2.4 per cent rate contribution increase necessary to cover the current service deficit. The increase is shared equally by employer and employee.

Homes for Special Care Act

Amendments to this Act will result in the Minister of Community Services being able to guarantee mortgage payments, subject to the Provincial Finance Act, relating to the construction or refinancing of nursing homes, residential care facilities, homes for the aged, and homes for the disabled.

Members and Public Employees Disclosure Act

The legislation provides for public financing of recognized political parties. This amendment extends the transition provision equally to all four recognized parties, including the Green Party.

Business Occupancy Assessment Act

This measure will allow seasonal business operators to qualify for a special tax rate of 75 per cent of the commercial tax rate.

Amendments to the Assessment Act change the definition of a seasonal tourist business to a business that is closed for a total of four months of the year rather than for four consecutive months.

Unlimited Liability Companies

This Companies Act is being amended to reduce the tax for the incorporation of an unlimited company from \$4,000 to \$1,000.

The Corporations Registration Act is being revised to ensure that annual registration taxes after the first year of incorporation are increased from \$2,000 to \$2,750.