

Taxation

As in all Canadian provinces, income tax is levied by both the federal and provincial governments. Nova Scotia does not actually collect its own income tax; instead, it has a tax-collection arrangement with the federal government. Your federal income tax filing counts as your Nova Scotia income tax filing as well. This saves people from having to make two completely different income tax filings. For more information please visit www.gov.ns.ca/cmns/overview/col.asp

All rates are current as of November 2006, unless otherwise stated

Corporate Income Tax/Franchise Tax (2005 Rates)	Federal	Provincial
Rate(range)	Basic Rate 38%	5% or 16%
Note: Corporations do not file separate Provincial and Federal Returns, there is only one return		
Rate deductions and tax credits are available and they vary by industry, location, size of corporation and province		
Formula (e.g. Sales, Property & Payroll)	Not Applicable	Not Applicable
Federal Taxes Deductible	Not Applicable	Not Applicable
Accelerated Depreciation Permitted (Yes or No)	No	No
Source: Canada Revenue Agency, CCA Business Enquiries 1-800-959-5525		
Refer to pages 50, 55, 56, 63, and 71 in the Canada Revenue Agency's Corporate Income Tax Guide to learn more about Tax Reductions and Tax Credits		
Learn more about the New Small Business Tax Deduction Certificate Information Sheet (For new Canadian Based)		

Personal Income Tax (2005 Rates)	Federal	Provincial
Rate (Range)	15.25% - 29%	8.79% - 17.5%
Source: CCA Individual Income Tax enquiries 1-800-959-8281, To calculate personal income tax rates Schedule 1		

Local Occupation Tax (Paid by Employee)	Federal	Provincial
Town Residents	Not Applicable	Not Applicable
County Residents	Not Applicable	Not Applicable
Source: Canada Revenue Agency, CCA Business Enquiries 1-800-959-5525		

Local Wage Tax (Paid by Employer)	Federal	Provincial
Town Residents	Not Applicable	Not Applicable
County Residents	Not Applicable	Not Applicable
Source: Canada Revenue Agency, CCA Business Enquiries 1-800-959-5525		

Gross Receipts Tax Rate by Type of Business
Nova Scotia does not tax gross receipts
Source: Canada Revenue Agency, CCA Business Enquiries 1-800-959-5525

Sales Tax Rate	
Federal	6%
Provincial	8%
Total HST	14%
Note: HST on business inputs is fully recoverable (Input Tax Credits)	
HST Exclusions	
Learn more about First Time Home Buyers HST Rebate	
Canada Revenue Agency GST/HST	Effective July 1, 2006- the govt proposed a decrease of tax for HST to 14% and GST to 6%
Source:http://www.gov.ns.ca/finance/taxpolicy/incometax/hst.asp	

Sales Tax by Utility:	
Electric Power	14%
Fuel Oil	14%
Water	0%
Sewer	0%
Hazardous Waste Disposal	0%
Source: Government of Nova Scotia, Overview of Nova Scotia, Cost of Living	

Telephone	
Local	14%
Long Distance within province	14%
Long Distance outside of province	14%

Source: Aliant and Eastlink

Machinery & Equipment Subject to Sales/Use Tax	
Production	Yes
Non-Production	Yes
Pollution Control	Yes
Office Furniture/Fixtures/Equipment	Yes

Sales/Use Tax (Yes or No) on	
Office Building Construction Materials	Yes
Industrial Building Construction Materials	Yes
Manufacturers' Raw Materials	Yes
Standard Software	Yes
Custom Software	Yes

[Note: There are some exclusions to the above, see Canada Revenue Agency GST/HST Guide](#)

Source: Canada Revenue Agency, CCA Business Enquiries 1-800-959-5525

Intangible Property	
Describe What is Subject to Tax Rate (e.g. Accounts, Receivable, Capital Stock)	Financial Services are not subject to Sales Tax
Basis & Rate	Not Applicable
Stock Bond Transaction Fee	No

Source: Canada Revenue Agency, CCA Business Enquiries 1-800-959-5525

Real Property Tax Rates for Jurisdiction Featuring:	
Major Employment Centers	Not Applicable
Town	Not Applicable
County	Not Applicable
School	Not Applicable
Special District	Not Applicable
Assessment Ratio	Not Applicable
Effective Rate per \$100	Not Applicable

[Source: Town of Amherst](#)

Personal Property Tax Rates per \$100
Town
County

[Source: Town of Amherst](#)
[Cumberland County](#)

Provincial Property Tax Effective Rate per \$100	
Real Property	Not Applicable
Personal Property (machinery/equipment)	Not Applicable

Property Tax Rates in Town	Amherst	Oxford	Parrsboro	Springhill
Residential	\$1.69 per \$100 of assessment	\$1.56 per \$100 of assessment	\$2.03 per \$100 of assessment	\$2.12 per \$100 of assessment
Commercial	\$3.45 per \$100 of assessment	\$3.33 per \$100 of assessment	\$3.67 per \$100 of assessment	\$5.09 per \$100 of assessment
Waste Collection Charges per dwelling unit	\$150.00 per dwelling unit		\$147.00 per dwelling unit	

Property Tax Rates in Cumberland County	
Residential	1.01
Commercial	2.07
Resource	1.01
Farm Acreage	2.47
Note: Farmland is not directly taxed, however, the County receives a grant from the province to cover taxes	
Forest Acreage (less than 50,000 acres)	0.25
Forest Acreage (greater than or equal to 50,000 acres)	0.4
Recreational Acreage	19.61
Source: Cumberland County Accountant - Andrew MacDonald 667-2313	

Property Tax After Core Income Tax & States Exercise Tax	
Taxable Items	Not Applicable
Rate for each item	Not Applicable

Subject to Personal Property Tax	
Production Machinery & Equipment	Not Applicable
Non Production Machinery & Equipment	Not Applicable
Pollution Control	Not Applicable
Inventory	
Raw Materials	Not Applicable
Work in Progress	Not Applicable
Finished Goods	Not Applicable
Freeport Legislation	
Applicable to Warehousing	Not Applicable
Applicable to Manufacturing	Not Applicable
Goods Stored in a Public Warehouse	Not Applicable

Office Furniture - Fixtures	
Computer Equipment	Not Applicable
Workstations	Not Applicable
Telephones	Not Applicable
Furniture	Not Applicable
Company Vehicles	Not Applicable
Standard Software	Not Applicable
Custom Software	Not Applicable

Update Frequency: Annually
 Last Modified: Septembeter 2006

