



APRIL 10, 2018

NO TAX RATE INCREASES

- Personal and corporate income tax rates remain the same
 - In the 2017 Provincial Budget, Saskatchewan announced the personal tax would decrease by .5% in 2019. The 2018 Provincial Budget announced the 2019 reduction will not occur. Therefore, Saskatchewan personal income taxes will remain the same.
 - To correspond to the federal government's adjustment to non-eligible dividends, the 2018 Provincial Budget made an adjustment to the Saskatchewan dividend tax credit so that the overall SK dividend tax rates remain unchanged.
 - SK will not mirror the Federal governments consolidation of the caregiver related income tax credits in a single Canada Caregiver Credit. SK will maintain the existing provincial Infirm Dependent Tax Credit and Caregiver Tax Credit.
- No increases of PST rates
 - PST has been broadened to apply PST to used light vehicles, effective April 11, 2018. In addition, the trade-in allowance which allows a deduction for the value of a trade-in when determining PST is reinstated, so PST will only be paid on the difference in price between the trade-in vehicle and the purchased vehicle.
 - PST will not be applied to the private sale of used vehicles with a purchase price of up to \$5,000 but will apply in full for a vehicle with purchase price over \$5,000.
 - PST exemption for ENERGY STAR appliance is removed.
 - PST will apply to all retail sales of cannabis products in SK.
- No carbon tax

NEW TAX INCENTIVES

SK Value-added Agriculture Incentive (SVAI) – is a non-refundable Corporation Income Tax Credit equal to 15% of qualifying new capital expenditures on new or existing value added agriculture facilities making capital expenditures of at least \$10 million. Redemption of the tax credit will be limited to 20% in year one after the facility begins operations, 30% in year two, and 50% in year three. Unused tax credits can be carried forward up to ten years after the facility begins. The program will end after December 31, 2022.

SK Technology Start-up Incentive (STSI) - supports investment, job creation and productivity – a non-refundable tax credit equal to 45% of qualifying new investments made in eligible small businesses (ESB). Eligible small businesses are early stage technology start-ups that:

- Are developing new technologies or applying existing technologies in a new way, to create proprietary new products, services or processes that are repeatable and scalable;
- Have less than 50 employees;



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2018 - 19 SASKATCHEWAN PROVINCIAL BUDGET

- Are incorporated and headquartered in SK; and,
- Have the majority of staff and operations located in SK.

Investors can be either accredited or non-accredited. Venture capital corporations may also raise capital and make investments under the terms of the STSI program.

For example, a \$500,000 investment can earn a maximum tax credit of \$225,000 per investment in an ESB. An investor may claim up to \$140,000 in tax benefits per year. Unused tax credit amounts may be carried forward for up to four years after the ESB investment is made. The minimum hold period for ESB investments is two years and the ESB may not be acquired, go public or leave SK within that two-year period.

For more information on the 2018 - 19 Saskatchewan budget contact us at:



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