



FEDERAL BUDGET 2023 HIGHLIGHTS

A SUMMARY OF WHAT YOU NEED TO KNOW

GP WEALTH MANAGEMENT

Measures for Individuals

- The alternative minimum tax (AMT) rules have been broadened to apply to more high-income earners.
- The measure for qualifying family members for RDSPs will be extended for three years until 2026, and will be expanded to cover siblings aged 18 and above.
- The maximum withdrawal limit for educational assistance payment (EAP) during the first 13 weeks of enrollment has been raised to \$8,000 for full-time students and \$4,000 for part-time students.
- A new grocery rebate will be offered by raising the maximum Good and Service Tax Credit (GSTC).
- Starting January 2024, employee ownership trusts (EOT) will be accessible to support business succession between business owners and employees.
- The 50% refundable tax on fees or premiums paid for securing or renewing a letter of credit will no longer apply to retirement compensation arrangements.
- The deduction for tradespeople's tools has been doubled from \$500 to \$1,000, effective 2023.

Measures for Corporations

- Through refinements to Bill C-208, the government has introduced additional safeguards for genuine intergenerational business transfer from parents to children.
- Several new tax credits and other incentives add support for businesses producing and manufacturing clean energy.
- Public corporations will be subject to a new 2% tax on equity issuance and repurchases.
- Proposal of several amendments to GAAR (General Anti-avoidance Rule).

Other Notable Measures

- The inflation adjustment on the excise tax for beer, spirits, and wine will be limited to 2% for 2023.
- Canada Student Grants (CSG) will increase by 40%.
- The government is lowering credit card fees for small businesses.

For more information about the new measures in Budget 2023 or to discuss how any of the specific measures may affect your financial, tax or estate plans, contact your Financial Advisor.