

# Federal budget 2023

## Highlights

### Measures for individuals

- Alternative minimum tax (AMT) rules expanded to apply to more high-income earners.
- Qualifying family members measure for RDSPs will be extended by three years to 2026, and expanded to include siblings 18 and older.
- The maximum educational assistance payment (EAP) withdrawal for the first 13 weeks of enrollment increased to \$8,000 (full-time students) and \$4,000 (part-time students).
- A new grocery rebate will be available by increasing the maximum Good and Service Tax Credit (GSTC).
- Employee ownership trusts (EOT) will be available to facilitate business succession between business owners and employees starting January 2024.
- Retirement compensation arrangements will not be subject to 50% refundable tax on fees or premiums paid for securing or renewing a letter of credit.
- Deduction for tradespeople's tools doubled from \$500 to \$1,000, effective 2023.

### Measures for corporations

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

### Other notable measures

- Inflation adjustment on the excise tax for beer, spirits and wine temporarily capped at 2% for this year.
- Canada Student Grants (CSG) will increase by 40%.
- Government to lower credit card fees for small business.

