



## 2024 FEDERAL BUDGET SUMMARY

### INDIVIDUALS

- No changes to personal tax rates.
- The capital gains inclusion rate, i.e., the amount of capital gains subject to tax, will be increased from one half to two thirds on capital gains that exceed \$250,000 when realized after June 24, 2024.
- Capital losses realized prior to the rate change will fully offset an equivalent capital gain realized after the inclusion rate change.
- Claimants of the employee stock option deduction will be provided a one-third deduction of the taxable benefit to reflect the new capital gains inclusion rate but will be entitled to a deduction of one half the taxable benefit up to a combined limit of \$250,000 for both employee stock options and capital gains.
- The Lifetime Capital Gains Exemption will be increased from \$1,016,836 to \$1,250,000 on gains realized on the disposition of Qualified Small Business Corporation Shares after June 24, 2024.
- Starting on January 1, 2025, under the new Canadian Entrepreneurs' Incentive, capital gains realized on the disposition of shares of private companies that meet certain conditions will be subject to an inclusion rate of only one third. This measure would apply in addition to any available capital gains exemption. The limit will be phased in by increments of \$200,000 per year until it reaches a lifetime limit of \$2,000,000.
- The home buyers' plan (HBP) withdrawal limit will be increased from \$35,000 to \$60,000 for withdrawals made after April 16, 2024. As well, the 15-year repayment period will be temporarily deferred by an additional three years for participants making a first withdrawal between January 1, 2022, and December 31, 2025.
- The Alternative Minimum Tax (AMT) regime will allow for an increase to the charitable donation tax credit and the allowance of certain other credits in the calculation of the AMT.
- The mineral tax credit will be extended for an additional year, covering flow-through share agreements entered on or before March 31, 2025.
- Further details have been provided regarding employee ownership trusts, which were originally proposed in the 2023 budget.

#### MONTRÉAL

1981 McGill College  
Montréal QC H3A 0G6  
514.934.3400

#### TORONTO

181 Bay St., #3510  
Bay Wellington Tower  
Toronto ON M5J 2T3  
416.488.2345

#### CHICAGO

200 South Wacker, #3100  
Chicago IL 60606  
312.828.0800

#### BUSINESSES

- No changes to corporate tax rates.
- The capital gains inclusion rate for corporations and trusts will be increased from one half to two thirds on capital gains realized after June 24, 2024.
- Enhancements will be made to the accelerated capital cost allowance (CCA) system for new eligible purpose-built rental projects that begin construction on or after April 16, 2024.
- The exemption to the excessive interest and financing expenses limitation (EIFEL) rules will be expanded for certain interest and financing expenses incurred before January 1, 2036, in respect of arm's length financing used to build or acquire eligible purpose-built rental housing in Canada.
- Starting in the 2026 calendar year, there will be a new annual reporting requirement for entities and individuals that provide business services involving exchange transactions in crypto-assets.

#### INTERNATIONAL MEASURES

- In certain circumstances, the Regulation 105 withholding requirements may be waived for payments to a non-resident service provider, including in cases where the non-resident would not be subject to Canadian income tax in respect of the payments because of a tax treaty between its country of residence and Canada.