

## 2024 Tax Changes

- **Capital gains inclusion rate increase** – The inclusion rate will be increased from 50% to 2/3% effective June 25, 2024. Individuals will retain the 50% inclusion rate on the first \$250,000 of capital gains per year. Other taxpayers, including corporations and trusts, will be subject to the 2/3 inclusion rate on all capital gains.
- **Lifetime Capital Gains Exemption** – The lifetime limit will be increased to \$1,250,000 from \$1,016,836, effective June 25, 2024. This amount will be indexed for inflation starting in 2026.
- **Canadian Entrepreneurs' Incentive** – Starting in 2025, the incentive will provide a capital gains inclusion rate of one half of the prevailing inclusion rate (either 25% or 1/3%) on up to \$2 million in capital gains per individual during their lifetime. The \$2 million limit will be phased in over 10 years. This measure will apply to dispositions after Dec 31, 2024.
- **Alternative Minimum Tax** – The proposals to amend the AMT regime to focus on high-income individuals, as introduced in Budget 2023, will proceed. New AMT threshold is the 4th tax bracket (approx. \$173,000 for 2024).
- **Immediate Expensing of Capital Costs** – eligible depreciable property purchases will continue to qualify for immediate expensing for individuals up to Dec 31, 2024. This measure has expired for corporations. There are restrictions on what types of property qualify, but generally, buildings do not qualify; equipment does qualify.

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