



News release

# Nova Scotia's HST to Drop in 2025

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Finance and Treasury Board

Nova Scotians will see more money in their pockets beginning April 1, 2025, with a one percentage point reduction in the harmonized sales tax (HST) rate.

"We're always looking for ways to provide relief to Nova Scotians. Now, in addition to indexing the personal income tax, we're lowering the HST rate to help people who are struggling with the cost of living and additional taxes from the federal government," said Premier Tim Houston. "This will be the largest tax break in Nova Scotia's history. It's the first time in 14 years that a provincial government in Nova Scotia has made changes to the sales tax. And this time it will be a decrease."

Nova Scotia's HST combines the provincial value-added tax with the federal goods and services tax (GST), and it is applied to the same types of goods and services. The federal portion is five per cent and, on April 1, the provincial portion will decrease from 10 to nine per cent.

The new combined sales tax rate in Nova Scotia will be 14 per cent. Newfoundland and Labrador, New Brunswick, Prince Edward Island and Ontario also have a harmonized sales tax.

## Quotes:

"Finding solutions that make life easier for Nova Scotians has always been a focus for this government. We've been taking a balanced approach to managing the budget and offering solutions that will make a difference for as many Nova Scotians as possible."

— Allan MacMaster, Minister of Finance and Treasury Board

## Quick Facts:

- beginning January 1, 2025, the Province will index personal income tax brackets and credits, saving Nova Scotians more than \$160 million in taxes annually by 2028
- HST is the second largest provincial revenue source behind personal income tax, accounting for about \$2.7 billion and 17.1 per cent of total revenues
- a one percentage point reduction to the provincial value-added tax rate is expected to reduce provincial revenues by about \$260.8 million in the 2025-26 fiscal year; \$265.5 million in 2026-27; and \$272.4 million in 2027-28
- lower income earners who receive the affordable living tax credit will continue to be supported at the same level

## Additional Resources:

News release – Budget 2024-25 is Building Nova Scotia Faster: <https://news.novascotia.ca/en/2024/02/29/budget-2024-25-building-nova-scotia-faster>

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