

AFFORDABLE LIVING TAX CREDIT REFORM

Policy Primer



The gap between household incomes and cost of living continues to grow across Nova Scotia year over year.

Nova Scotia's minimum wage of \$17 per hour is more than \$10 below the living wage - the hourly wage needed to afford the basics, including food[1].

Across the province, 14% of working-age adults (ages 18–64) live below the official poverty line, while half of all workers earn less than a living wage[2].

With almost 25% of food bank clients in Nova Scotia reporting employment as their primary source of income[3], it's clear that wages are not meeting basic needs.

That's why we're calling for the Government of Nova Scotia to expand support for workers through the Nova Scotia Affordable Living Tax Credit (NSALTC).

What is the NSALTC?

The NSALTC was originally launched in 2010 to provide financial relief for HST to lower income Nova Scotia households. The credit provides a quarterly tax-free payment of up to \$255 a year (plus \$60 per child) to eligible households.

The credit is fully administered by the Canada Revenue Agency, but its reach, rate and impact is determined by the Government of Nova Scotia.

Why should the NSLTC be expanded in scope, eligibility and support?

- **Nova Scotia is in an affordability crisis.** The NSALTC was established over 15 years ago and has not evolved to meet changing community needs. Since 2010, the cost of essentials, such as housing and groceries, have drastically increased, and wages have not kept pace.
- **Eligibility for the credit excludes many households living in poverty.** Current eligibility for the NSALTC does not meet the poverty line, leaving thousands of households without access to the credit.
- **The credit is deeply inadequate to meaningfully support households in need.** The NSALTC provides a maximum of just \$21.25 per month to eligible households, and \$5 per month per child.

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What specific changes to the credit are needed?

Workers living below the poverty line urgently need relief as the cost of living continues to rise across Nova Scotia.

So we are calling on the provincial government to:

- Expand the scope of the NSALTC to respond to the current affordability crisis in Nova Scotia.
- Expand eligibility for the NSALTC to include all households living at or below Canada's official poverty line.
- Create a stream within the NSALTC to credit wage earners with 10 cents for every dollar they earn, up to a maximum of \$2,000 per annum for a single person and \$3,500 for families.
- Index the NSALTC to inflation to ensure the value of the credit does not decrease over time.

Want to learn more?

Contact us at advocacy@feednovascotia.ca

References

1. Canadian Centre for Policy Alternatives. 2025. [2025 Living Wages for Newfoundland and Labrador, Nova Scotia and Prince Edward Island](#).
2. Federation of Labour Nova Scotia. 2025. [Nova Scotia's Economy Grows But Workers and Families are Left Behind](#).
3. Feed Nova Scotia. 2026. [Quarterly Report on Food Bank Visits](#).