



2018 Economic Statement Highlights

Write off of Manufacturers and Processors Machinery & Equipment

The Government proposes that machinery and equipment used in Canada for the manufacturing and processing of goods be eligible for immediate expensing. With this change, the cost of machinery and equipment will be eligible for a full tax write-off the year it is put in use in the business.

Write off for Clean Energy Investments

The Government proposes that specified clean energy equipment be eligible for immediate expensing. With this change, the cost of specified clean energy equipment will be eligible for a full tax write-off the year it is put in use in the business.

Immediate expensing will apply to qualifying assets acquired after November 20, 2018. It will be gradually phased out starting in 2024, and will no longer be in effect for investments put in use after 2027.

Accelerate capital investments write off

The Government proposes to introduce an Accelerated Investment Incentive to support all businesses that make capital investments. The Accelerated Investment Incentive will apply to all tangible capital assets, including long-lived investments like buildings. The Accelerated Investment Incentive will also apply to intangible capital assets, such as patents and other intellectual property.

Proposed Measures on Some Selected Assets

Type of Assets	Normal rate	With Proposed Measures
M&P machinery and equipment	25%	100%
Clean energy equipment	25%	100%
Computer software	50%	100%
Computers	27.5%	82.50
Trucks and tractors for hauling freight	20%	60%
Motor vehicles	15%	45%
Earth-moving equipment	15%	45%
Office equipment	10%	30%
Buildings used in M&P	5%	15%
Other non-residential buildings	3%	9%
Goodwill	2.5%	7.5%