

The Québec Economic Plan – March 2017

A Permanent Tax Reduction of Over \$1 Billion per Year and Measures to Help Those in Need

Québec, March 28, 2017. – Sound public finances and the good results of our economic plan are making it possible to grant taxpayers new tax reductions which, in addition to the elimination of the health contribution, will represent a recurring decrease in the tax burden of over \$1 billion per year. At the same time, in keeping with our values of solidarity and social justice, the government will invest close to \$590 million over the next five years to support people and communities, by targeting, in particular, the fight against poverty and social exclusion.

Tax relief of over \$1 billion per year

Added to the complete elimination of the health contribution, on January 1, 2017, is a refund of the contribution paid in 2016 for nearly \$4.3 million taxpayers. Furthermore, as of this year, all taxpayers will be entitled to a general tax reduction owing to the increase in the amount of income exempt from tax to \$14 890.

With the new measures being announced, a couple with two equal work incomes of \$45 000 will benefit from an annual tax reduction of \$510 as of 2017.

In total, the elimination of the health tax, coupled with the general tax reduction as of this year, will permanently return more than \$1 billion to taxpayers every year. As a whole, the relief measures announced since 2015 represent a reduction in the tax burden on Quebecers of nearly \$7 billion over six years.

Measures to help those in need

Support for communities and especially the most vulnerable people is essential. Therefore, the Québec Economic Plan provides for investments of nearly \$590 million in order to:

- combat poverty and social exclusion by building, in particular, 3 000 new social housing units, encouraging the social involvement of vulnerable youth and taking action against homelessness;
- help Aboriginal communities by supporting their economic, social and community development and implementing the government's Aboriginal Social Development Action Plan;
- combat elder abuse by hiring community workers, enhancing the services offered by the Aide Abus Aînés helpline and promoting friendship visits to seniors.

The March 2017 Economic Plan also provides for additional funding to take action on gender equality, fight bullying and provide crime victims with better access to justice and compensation.

Quotations:

“Thanks to the restoration of economic and financial health, we can take concrete initiatives that directly benefit all Quebecers by reducing their income taxes and by improving support for the most vulnerable. »

“Today, more than four million Quebecers will see a difference when they fill out their income tax returns. I am proud of our actions since 2015, which total nearly \$7 billion in tax relief.”

“Lastly, increasing available income will be the focus of the approach taken in the third government action plan to fight poverty and social exclusion. We have given ourselves back the means to do even more to support the most vulnerable among us.”

Carlos Leitão, Minister of Finance of Québec

Highlights:

- a recurring decrease in the tax burden of over \$1 billion per year for taxpayers;
- investments of nearly \$590 million to support communities, by targeting, in particular, the fight against poverty and social exclusion.

Related links:

March 2017 Québec Economic Plan:

http://www.budget.finances.gouv.qc.ca/budget/2017-2018/en/documents/EconomicPlan_March2017.pdf

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Source:

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