

Section 3

Financial Impact of Fiscal and Budgetary Measures

FINANCIAL IMPACT OF FISCAL AND BUDGETARY MEASURES**2001-2002 BUDGET SPEECH**

(in millions of dollars)

	Impact on tax burden	Financial impact for the government	
	Full year	2001-2002	2002-2003
A. REVENUE MEASURES			
1. Measures concerning individuals			
General income tax reduction	- 1 040.0	- 1 000.0	- 1 040.0
Automatic indexation of taxation system as of 2002	- 155.0	- 35.0	- 155.0
Improvement of the tax credits respecting adoption and the treatment of infertility	- 3.0	- 3.0	- 3.0
Full exemption for scholarships	- 7.0	- 3.0	- 7.0
Availability of the QST credit to more students	- 4.0	- 2.0	- 4.0
Improvement of the deduction respecting copyright income	- 1.0	—	- 1.0
Improvement of the tax assistance respecting the year of death	- 8.0	—	- 8.0
Eligibility of municipal electoral contributions for the tax credit for political contributions	- 1.0	—	- 1.0
Sub-total	- 1 219.0	- 1 043.0	- 1 219.0
2. Measures concerning businesses			
2.1 Measures for regions			
Introduction of a tax holiday for small and medium-size manufacturing enterprises in remote resource regions	- 57.0	- 41.0	- 52.0
Introduction of a refundable tax credit for processing activities in resource regions	- 70.0	- 7.0	- 21.0
Introduction of a refundable tax credit for exploration	- 34.0	- 15.0	- 28.0
Improvement of the Cooperative Investment Plan	- 2.0	- 2.0	- 2.0
Introduction of a tax credit for contributions to Capital régional et coopératif Desjardins	- 75.0	- 10.0	- 75.0
Sub-total	- 238.0	- 75.0	- 178.0
2.2 Other measures			
Extension and improvement in the tax credit for on-the-job training periods	- 17.0	- 5.0	- 19.0
New tax credits for the Cité des biotechnologies in Laval	- 15.0	- 3.0	- 8.0
Reduction of the administrative and financial burden	- 12.8	- 7.0	- 12.8
Sub-total	- 44.8	- 15.0	- 39.8
Sub-total	- 282.8	- 90.0	- 217.8
TOTAL IMPACT OF REVENUE MEASURES	- 1 501.8	- 1 133.0	- 1 436.8

FINANCIAL IMPACT OF FISCAL AND BUDGETARY MEASURES**2001-2002 BUDGET SPEECH (cont.)**

(in millions of dollars)

	Financial impact for the government		
	2000-2001	2001-2002	2002-2003
B. EXPENDITURE MEASURES			
1. New initiatives in the fight against poverty and exclusion			
Increase in social assistance benefits	—	– 30.0	– 36.0
Creation of the Action emploi program	—	– 2.0	– 48.0
Other budgetary measures	– 2.6	– 0.3	– 0.3
Sub-total	– 2.6	– 32.3	– 84.3
2. Health: additional resources to improve services			
Better services for young people and their families	—	– 10.0	– 15.0
Development of new services adapted to older persons losing their autonomy	—	– 30.0	– 30.0
Renewal of the program for the provision of home help services by businesses in the social economy	—	– 32.0	– 32.0
Increase in operating budgets ¹	– 611.0	– 1 292.0	– 1 292.0 ²
Sub-total	– 611.0	– 1 364.0	– 1 369.0
3. Education: investments in young people and the future			
Improved financial assistance for students	—	– 30.7	– 37.9
Increase in operating budgets ¹	28.0	– 497.0	– 497.0 ²
Sub-total	28.0	– 527.7	– 534.9
4. Economic development strategy for the resource regions	– 34.3	– 129.0	– 156.5
5. Greater efforts in support of job creation			
Additional resources for science and innovation, transportation, the environment and other sectors	– 82.2	– 83.1	– 125.1
6. Support for cultural development	– 35.6	– 9.8	– 13.7
7. Other measures			
Additional resources for sectors other than health and education	– 415.5	– 421.6	– 463.6 ²
Other budgetary measures	– 34.2	– 27.4	– 20.5
Sub-total	– 449.7	– 449.0	– 484.1
Less:			
Increase in the budget bases provided for in the 2000-2001 Budget and other amounts provided for in the budgetary framework ³	—	1 278.8	1 099.9
TOTAL IMPACT OF EXPENDITURE MEASURES	– 1 187.4	– 1 316.1	– 1 667.7
TOTAL IMPACT OF REVENUE MEASURES	—	– 1 133.0	– 1 436.8
TOTAL IMPACT OF FISCAL AND BUDGETARY MEASURES	– 1 187.4	– 2 449.1	– 3 104.5

N.B.: A negative entry means a cost for the government.

1 Including wage indexation and the increase in clientele.

2 Based on the assumption that the increases in spending on health and social services and education in 2001-2002 will be renewed in 2002-2003. The 2002-2003 Program Review will determine the breakdown of amounts by sector.

3 Including \$30 million from Loto-Québec to finance the development of new services adapted to older persons losing their autonomy and \$32.5 million from timber royalties to finance the economic development strategy for the resource regions.