

Meeting The Challenge

Provincial Budget 2017-18

The challenge Saskatchewan is facing:

- Since 2014-15, **resource revenue** has **declined** over **\$1.3 billion**
- **Tax revenue** is **down** by **hundreds of millions** due to the resource sector slowdown
- The **population** has **grown** by **162,000** in 10+ years putting **pressure** on **vital services**

Budget 2017-18 is:

Controlling and Reducing Government Spending

- **\$250 million** total **public sector compensation savings**
- A **3.5% wage rollback** for Ministers and MLAs
- **Consolidating** 12 regional health authorities into one
- Total spending on health held to **0.7% increase**
- Winding down **STC** and **Executive Air Service**

Modernizing and Expanding the Tax System

- Ensuring Saskatchewan's **taxes** remain **fair** and **competitive**
- **Increasing** the PST rate to 6%, **expanding** PST base and **eliminating** some exemptions
- Education Property Tax **rebalanced** to fund 40 per cent of K-12 education costs
- The **Saskatchewan Low-Income Tax Credit** will be enhanced
- A more **stable** revenue base will help **sustain valued services** like **health care, education, social assistance** and **capital investment**

Keeping the Economy Strong

- **Lower** personal and corporate income **tax rates** starting in 2017
- Everyone at every income level will **pay less income tax**
- Saskatchewan will have the **lowest corporate tax rate** and **manufacturing** and **processing tax rate** in Canada

- “Patent Box” and other new **tax incentives** to support **productivity** and **growth**
- Low taxes and tax incentives create tremendous **advantage** in attracting new **investment** and **jobs** to our province

Investing in Priority Areas

- Since 2007-08, total investment in health, education and social services and assistance is up nearly **72%** or **\$4.4 billion**
- This year, funding to these three areas is **\$10.6 billion**
- Nearly **\$1.4 billion** in the area of social services and assistance – a **51%** increase from 2007-08
- **\$12 million** for **overcapacity** and **ER wait times** in Regina and Saskatoon
- **\$3.7 billion** for schools, highways, bridges, hospitals and Crown **infrastructure**

Returning to Balance over Three Years

- A forecast **deficit** of \$685 million for 2017-18
- Smaller \$304 million projected deficit for 2018-19 with a **return to balance** in 2019-20 – a \$15 million forecasted **surplus**
- Careful **debt management** equates to the **second lowest** debt-to-GDP ratio in Canada

The 2017-18 Budget is:

Meeting the Challenge

- **Controlling and reducing government spending**
- **Modernizing and expanding the tax system**
- **Ensuring the economy remains strong**
- **Investing in priority areas**
- **Returning to balance over three years**

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