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News Release

EMBARGOED RELEASE

Mar. 23, 2011

2:15 PM

Saskatchewan

Finance 11-201

THE SASKATCHEWAN ADVANTAGE: LOWER TAXES, IMPROVED SERVICES, LESS DEBT

Finance Minister Ken Krawetz today tabled a balanced budget that improves government services, reduces the provincial debt and lowers taxes for individuals, families, homeowners, farmers and businesses.

Krawetz said the province's growing economy has created "The Saskatchewan Advantage" and means Saskatchewan's budget will be unlike most others tabled across Canada this year.

"While other provinces are recording deficits, we will post a surplus," Krawetz said. "While others will struggle to maintain programs, we will improve our public services. While others will see their debt loads increase, we will reduce our debt. This budget will continue to strengthen our economy and make life more affordable by reducing taxes."

The 2011-12 Budget cuts taxes by almost \$200 million, reduces debt by \$325 million and improves public services, while still posting a surplus of \$115 million and leaving just over \$710 million in the government's "rainy day account" – the Growth and Financial Security Fund.

Revenue for 2011-12 is forecasted to be \$10.79 billion, up 8.5 per cent from last year's budget while expense is expected to be \$10.67 billion, up 5.5 per cent from last year.

On a summary basis, that is, when all government operations are included, the budget surplus is expected to be \$54.3 million.

As a result of this budget, most Saskatchewan families with dependent children will earn more tax-free income here than if they lived anywhere else in Canada.

Tax changes include the following:

- The basic and spousal exemption amounts are increased by \$1,000, and the exemption amount for dependent children rises by \$500 for each dependent child. The increase will raise the basic and spousal exemption amounts to \$14,535 and the dependent child amount to \$5,514 per child for the current year. Together, these measures will save taxpayers \$60 million per year;
- The small business tax rate will be reduced from 4.5 per cent to 2.0 per cent beginning July 1, 2011 which will save small businesses an estimated \$80 million per year; and
- Education property taxes will be reduced by a total of \$55.6 million in 2011. Savings amount to \$31.3 million on farm land, \$18.7 million for residential property and \$5.6 million for commercial property.

"These income tax changes, together with the previous reductions introduced by our government, mean that a family of four earning \$50,000 combined income will save \$2,447 in income taxes this year," Krawetz said. "It also means another 22,000 people coming off the tax rolls. In four years, we have eliminated provincial income tax for 114,000 Saskatchewan people."

Krawetz said the government will pay down the General Revenue Fund debt by \$325 million this year, bringing the debt down to \$3.81 billion – the lowest level since 1987-88.

“That’s a reduction of \$3 billion, or 44 per cent, since our government took office,” Krawetz said. “Debt reduction is not just a lofty accounting principle. It means lower interest costs and more money to pay for important government services in Saskatchewan.”

On the spending side, the Budget makes a number of investments, including:

- \$216.8 million in revenue sharing with municipalities, meeting the commitment to provide them with one full point of the Provincial Sales Tax (PST);
- \$250 million more for Regional Health Authorities (RHAs) base funding, a 9.7 per cent increase;
- \$12.6 million or 11.5 per cent more for the Saskatchewan Cancer Agency to allow for a doubling of bone marrow transplants, additional colorectal screening and more cancer treatments;
- \$5 million for a new emergency helicopter air ambulance service;
- \$34 million more across government on a Children and Youth Agenda to improve child welfare, education and health care through a more integrated approach;
- \$24.6 million to post-secondary institutions through Advanced Education to allow them to hold tuition increases to an average of three per cent;
- \$556.2 million in the Highways budget, including more than \$400 million for capital spending and maintenance work;
- \$19.9 million for new capital projects in Education, including \$13.9 million for school capital, \$4 million for school based child care capital and \$2 million for Pre-kindergarten capital funding. This is in addition to the \$60 million in school capital announced at the Third Quarter of 2010-11;
- \$1.7 million for two new housing initiatives to create more affordable housing in Saskatchewan. This is on top of \$33.9 million announced earlier this month which will go toward renovation of existing government assisted housing and to support the development of new housing, as well as \$1.5 million for Habitat for Humanity;
- \$167.2 million across government for First Nations and Métis programming, an overall increase of \$13.1 million;
- \$320.8 million to fully fund farm income stabilization programs; and
- \$13.2 million extra for policing services, an 8.5 per cent increase, including \$5.2 million to complete the government’s commitment to hire 120 police officers over four years.

“Saskatchewan’s economy is expected to lead the nation this year,” Krawetz said. “Our government’s goal is to build on that momentum and ensure all Saskatchewan people share in the benefits.

“Lower taxes. A better quality of life. Balanced budget and reduced debt. That’s the Saskatchewan Advantage.”

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