

GETTING THE JOB DONE REDUCING PST TO 7 PER CENT

Budget 2019 keeps our promises by fixing the finances, repairing services and rebuilding our economy.

Budget 2019 provides Manitoba families with real tax relief, by reducing the retail sales tax to seven per cent from eight per cent, effective July 1. This sales tax cut reduces the retail sales tax rate by 12.5 per cent and will benefit all Manitobans and businesses.

This change will put more than \$300 million back on the kitchen tables of Manitobans each year. It will save a family of four approximately \$500 a year and a single individual approximately \$180 per year.

This will save families \$30 when buying furniture worth \$3,000, \$350 when buying a car or truck for \$35,000 or \$1,500 when buying a new home for \$300,000.

Between July 1, 2019 and 2024, Manitoba individuals and families will save almost \$1 billion in direct sales tax costs, or about \$1.36 billion in direct and indirect sales tax costs. It is expected that municipalities will save approximately \$3.1 million annually on purchases.

Manitoba's retail sales tax rate will be the third lowest among all provinces and the lowest rate east of Saskatchewan — tied with British Columbia.

Reducing the sales tax rate also ensures the competitiveness of Manitoba businesses and savings for those who invest in them. The sales tax rate cut reduces the cost of doing business in Manitoba and allows businesses to pass some of their savings on to Manitoba households. It is estimated this will benefit the average family of four by an additional \$170 in savings per year.

This change will increase economic output and generate approximately 900 person-years of employment. Labour income, including wages and salaries, will grow by nearly \$50 million per year, and Manitoba's nominal GDP will increase by approximately \$90 million.