



Brad Frost, M.P.
Saskatoon-Humboldt
Room 930, Confederation Building
Ottawa, Ontario K1A 0A6
Tel: (613) 992-8052 Fax: (613) 996-9899
Email: Trost.B@parl.gc.ca

Press Release

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BUDGET HELPS FARMERS, PROVIDES TAX RELIEF

Ottawa – Brad Frost, Conservative MP for Saskatoon-Humboldt expressed his enthusiastic support for the first budget of Canada’s new federal government, released today:

In particular, MP Frost was very pleased with three measures in the budget:

- \$1.5 billion in new spending this year for Agriculture.
- Increased spending for the RCMP (\$161 million for 1,000 more officers).
- Tax cuts: nearly \$20 billion in tax relief for Canadians over the next two years.

“This first budget of the Conservative government supports two important priorities of the people in Saskatoon-Humboldt: Cutting taxes and supporting agriculture at this crucial time for our farmers,” Frost said.

BACKGROUND

Overall, the government’s first budget delivers more than twice as much tax relief as new spending. These measures include:

- a 1-percentage-point cut in the GST as of July 1, 2006;
- a new Canada Employment Credit;
- a permanent legislated reduction in the lowest tax rate to 15.5 per cent as of July 1; and

- increases in the basic personal amount – the amount that all Canadians can earn without paying federal income tax.

As a result of these measures, residents of Saskatchewan will pay \$250 million less in taxes in 2007. Also, families earning between \$15,000 and \$30,000 per year will be better off by almost \$300 in 2007, and those earning between \$45,000 and \$60,000 will save almost \$650.

This budget also delivers on the government's other key priorities:

- The Universal Child Care Benefit, which provides all families with \$1,200 a year for each child younger than six, will put an estimated \$85.4 million in the hands of Saskatchewan parents over the next year.
- To ensure safe streets and safe communities this budget is providing \$161 million for 1,000 more RCMP officers and federal prosecutors.
- As part of the implementation of the 10-Year Plan to Strengthen Health Care, Saskatchewan will receive \$40 million more in support of health care – and the reduction of wait times – bringing total federal cash transfer support for health in Saskatchewan to \$758 million in 2006-07.
- To support Canadian farming communities, the government is providing \$1.5 billion this year. This includes \$500 million for farm support, plus a one-time investment of \$1 billion to assist farmers in the transition to more effective programming for farm income stabilization and disaster relief.

The government's first budget also provides significant support for seniors, students, transit riders and low income Canadians.

- The government is helping seniors by doubling the amount of eligible pension income that can be claimed under the pension income credit. It will provide savings of up to \$155 for eligible pensioners and remove approximately 85,000 pensioners from the tax rolls altogether.
- The government is creating a new Textbook Tax Credit, which will benefit approximately 1.9 million Canadian students, at a cost of \$260 million over two years.
- The Post-Secondary Education Infrastructure Trust will support investments for infrastructure and equipment, such as modernization of classrooms and laboratories, of up to \$1 billion, of which \$30.3 million will benefit post-secondary institutions in Saskatchewan.

- To support families and promote healthy active living, the government is providing a physical fitness tax credit for up to \$500, to cover registration fees for children's sports.
- To improve transit system infrastructure, Saskatchewan will be getting \$12.5 million right away. Further, any surplus funds in excess of \$2 billion in fiscal year 2005-06 will be used to provide the province with up to \$27.2 million through the Public Transit Capital Trust.
- People who use Saskatchewan's transit systems will benefit from a new 15.5-per-cent tax credit on the purchase of monthly transit passes.
- Municipalities across Canada will receive an estimated \$4.4 billion over the next four years as a share of federal gas tax revenues – money they can invest in roads, clean water and other priorities. In 2006, Saskatchewan will receive \$17.7 million for these purposes.
- The Affordable Housing Trust will support investments to increase the supply of affordable housing, including transitional and supportive housing, of up to \$24.2 million in Saskatchewan.

Budget 2006 confirms that Saskatchewan will receive \$13 million in Equalization in 2006-07. Previously Saskatchewan had not qualified for Equalization this year.

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For more info, contact the Ottawa Office of MP Brad Trost at (613) 992-8052.