



# Red Tape Reduction

## REDUCING THE TAX BURDEN

CHALLENGE	SOLUTION	RESULTS
To reduce taxes and promote economic growth.	Reduced corporate and personal income taxes.	Businesses are able to invest more of their profits in their workforce, innovation, and productivity.



One goal of the Premier's Five in Five Initiative is for New Brunswick to have the lowest tax burden east of Alberta and the biggest reduction in the unemployment rate

in Canada within five years.

The province's **small business income tax** rate is the lowest in Canada. It will drop to 1.5 per cent July 1, 2006, and to one per cent in 2007. The small business income threshold will rise to \$475,000 on July 1, 2006, and to \$500,000 on July 1, 2007. This is the highest small business threshold in the country.

The **general corporate income tax** rate has dropped from 17 per cent in 1999 to 13 per cent. Effective Jan. 1, 2007, it will be 12 per cent - the third-lowest rate in the country.

The **large corporation capital tax** will be reduced annually until it is eliminated in 2009.

New Brunswickers also enjoy the lowest provincial **personal income taxes** east of Ontario.

New Brunswick's economy is growing and diversifying. Since 1999, the province's **real economic growth** per capita has been the third-highest among all the provinces.

Jobs in New Brunswick are at an all-time high. For two straight years, the **unemployment rate** has stayed below 10 per cent - the best in 30 years. Employment growth is forecast to strengthen, resulting in an improved unemployment rate in 2006.

### QUOTE

"We are committed to lowering the tax burden on New Brunswick individuals and businesses in order to stimulate investment and innovation, create jobs and build economic wealth and prosperity." (Source: 2006-2007 Budget Speech)



**Jeannot Volpé**  
Finance Minister

*Business & Government working together to cut red tape*