

Fairness for Families

The new tax system will deliver significantly lower income taxes for all Saskatchewan working families. Once fully implemented in 2003, the new tax plan will save the average Saskatchewan family about \$1,000 a year.

The plan is based on taxing income fairly. The new system will lower tax rates:

- 11 per cent on taxable income up to \$35,000;
- 13 per cent on taxable income between \$35,000 and \$100,000; and,
- 15 per cent on taxable income over \$100,000.

The new plan also provides significantly higher personal tax credits. Once fully implemented, Saskatchewan families will qualify for:

- a basic credit of \$8,000;
- a spousal or equivalent-to-spouse credit of \$8,000;
- a child tax credit of \$2,500 per dependent child; and,
- a \$1,000 supplement to the existing senior's tax credit.

The new tax plan delivers the biggest reduction in income taxes in Saskatchewan's history.

Making It Simple

Effective January 1, 2001, Saskatchewan will move to a simple and fair three-rate income tax structure. The new tax system will completely eliminate:

- the flat tax;
- the debt reduction surtax; and,
- the high income surtax.

The new tax system will be simple and easier to understand.

It's Simple It's Fair It's Competitive

What the Saskatchewan Plan for Growth and Opportunity Means to You



Single Income Family (two adults, two children)

Employment income	=	\$ 40,000
RRSP contribution	=	\$ 2,500 (35% of maximum)
Net income	=	\$ 37,500
Taxable income	=	\$ 37,500

1999

Saskatchewan Income Tax	\$3,095
Saskatchewan Sales Tax	\$ 552
Total Saskatchewan Tax	\$3,647

2003

Saskatchewan Income Tax	\$1,625
Saskatchewan Sales Tax	\$ 671
Total Saskatchewan Tax	\$2,296

Net Saskatchewan Tax Savings \$1,351
Net Tax Reduction 37.0%



Two Income Family (two adults, two children)

Employment income	=	\$ 80,000 (Dan @ \$48,000, Lisa @ \$32,000)
RRSP contribution	=	\$ 5,000 claimed by Dan (35% of maximum)
Child care expenses	=	\$ 5,000 claimed by Lisa

1999

Saskatchewan Income Tax	\$6,615
Saskatchewan Sales Tax	\$ 927
Total Saskatchewan Tax	\$7,542

2003

Saskatchewan Income Tax	\$5,111
Saskatchewan Sales Tax	\$1,119
Total Saskatchewan Tax	\$6,230

Net Saskatchewan Tax Savings \$1,312
Net Tax Reduction 17.4%



Single Senior

Pension income	=	\$ 20,000
Medical expenses	=	\$ 5,000 (allowable expenses = \$4,400)
Net income	=	\$ 20,000
Taxable income	=	\$ 20,000

1999

Saskatchewan Income Tax	\$ 753
Saskatchewan Sales Tax	\$ 271
Total Saskatchewan Tax	\$1,024

2003

Saskatchewan Income Tax	\$ 233
Saskatchewan Sales Tax	\$ 328
Total Saskatchewan Tax	\$ 561

Saskatchewan Sales Tax Credit \$ 77

Net Saskatchewan Tax Savings \$ 540
Net Tax Reduction 52.7%



Single Part-time Student (@ minimum wage)

Employment income	=	\$ 12,480
Two classes over two semesters, tuition	=	\$ 720
Net income	=	\$ 12,480
Taxable income	=	\$ 12,480

1999

Saskatchewan Income Tax	\$ 477
Saskatchewan Sales Tax	\$ 178
Total Saskatchewan Tax	\$ 655

2003

Saskatchewan Income Tax	\$ 291
Saskatchewan Sales Tax	\$ 213
Total Saskatchewan Tax	\$ 504

Saskatchewan Sales Tax Credit \$ 77

Net Saskatchewan Tax Savings \$ 228
Net Tax Reduction 34.8%

Yes, I want to know more about the Plan for Growth and Opportunity

First Name: _____

Last Name: _____

Address: _____

City or Town: _____

Postal Code: _____

Fax us: (306) 787-6576

**Call us: 1-888-287-8868 or
787-6768 (Regina)**

Website: www.gov.sk.ca/finance/

Saskatchewan taxpayers will pay less tax with the new Plan for Growth and Opportunity



Making It Competitive

The future holds exciting new opportunities for Saskatchewan. If we are to capture those opportunities, we need a tax system that is competitive – a tax system that helps attract new jobs and industries.

The new plan offers just that – a competitive tax system dedicated to building opportunity and growth for the future.

Making It Sustainable and Fair

The new tax plan is sustainable, sensible and fair. The tax reductions and reforms will be funded by new revenues. The new plan will guarantee tax reductions and ensure adequate levels of funding for priority public services. It will not lead to a return of deficits and debt.

A Fairer Sales Tax

Our provincial sales tax is currently levied at the lowest rate in Canada and on the narrowest consumer base. Sensible adjustments to the sales tax base allow the Province to provide substantially lower income tax rates.

The new tax system broadens the sales tax base to items taxed in other provinces. To achieve fairness:

- family necessities such as home heating, electricity, prescription drugs and children's clothing will not be taxed; and,
- a \$32 million sales tax credit will be introduced to protect low-income people.

Restaurant meals will continue to be exempt.

A New Saskatchewan Sales Tax Credit

A new Saskatchewan Sales Tax Credit will be available to lower income families and seniors, ensuring fairness in our tax system. Every year, about 285,000 Saskatchewan residents will receive a rebate to offset the amount of additional sales tax they may pay.

Applying for the Saskatchewan Sales Tax Credit is Simple

Just check the box on your income tax form.

If you have already applied for the federal GST Credit for the current year, you are automatically registered for the new Saskatchewan Sales Tax Credit.

The tax credit begins on April 1, 2000. In October, you will receive your first rebate cheque covering the period from April 1 to the end of the year. Beginning in January 2001, you will receive your rebate cheque quarterly.

It's Simple

It's Fair

It's Competitive

Other Highlights of the Plan for Growth and Opportunity

Health Care

- \$63 million increase in base funding for our health system
- \$150 million Health Transition Fund to provide one-time support for necessary changes in our health system

Education and Training

- increased funding for schools, universities, SIAST and regional colleges
- capital funding for up to 115 school projects
- an income tax credit for post-secondary graduates who start work in Saskatchewan

Research and Development

- a new Innovation and Science Fund to attract a total R&D pool of up to \$100 million over four years

Agriculture

- complete elimination of the provincial tax on farm fuel
- two-year property tax rebate to farmers — \$25 million a year

Highways and Infrastructure

- \$250 million for highways – the largest investment in highways and transportation in the province's history
- \$120 million Centenary Capital Fund — \$30 million a year to address infrastructure needs
- \$5 million a year of the Centenary Capital Fund to be invested in the North

A Plan for Growth and Opportunity

The Plan for Growth and Opportunity includes tax reductions for Saskatchewan's working families, a competitive tax system for our economy, new investments in research and development and additional funding for health, education and highways.

- The new tax system, when fully implemented in 2003, will save the average family about \$1,000 a year.
- Base funding for our health system increases by \$63 million.
- A \$150 million Health Transition Fund will provide one-time support for necessary changes in our health system.
- Funding for schools, universities, SIAST and regional colleges is increased.
- A new Innovation and Science Fund will attract a research and development pool of up to \$100 million over four years.
- \$250 million is provided for highways – the largest investment in highways and transportation in the province's history.
- A new \$120 million Centenary Capital Fund will help address important infrastructure needs.

CONTACT US AT:



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A Plan for Growth and Opportunity

It's Simple

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