

**BUDGET 2018 DELIVERS
LARGEST TAX CUT IN MANITOBA HISTORY**

Tax cuts for individuals and business, record spending in health, education and families, and a dramatically reduced deficit are the highlights of Manitoba's 2018 budget, Finance Minister Cameron Friesen said as he introduced the budget today in the legislature.

"We promised to fix the finances, repair the services and rebuild the economy," said Friesen. "We are keeping our promises."

By increasing the threshold under which individuals pay no income tax by \$2,020 over the next two years, the Government of Manitoba is taking more than 30,000 Manitobans off the tax rolls – that is more than 30,000 more Manitobans who will pay no income tax – and adding more than \$230 million to the economy by putting it back in the pockets of Manitobans.

Budget 2018 also gives small and medium-sized businesses a break by raising the small business income tax threshold to \$500,000 from \$450,000. This will save individual businesses up to \$6,000 a year – money they can reinvest in new jobs or technology – and pump \$7 million back into the economy each year starting in 2019.

This year's budget makes a further dramatic step on the path to balancing the budget with the biggest reduction in the deficit since summary budgeting was introduced in 2007, Friesen noted. Budget 2018 reduces the deficit by \$319 million from Budget 2017.

"Manitobans face challenges of rising hydro rates, increased federal and municipal taxes, and interest rates rising. They deserve a break," the minister said. "With this budget, and the biggest tax cut in Manitoba's history, we are giving them a break by taking money from the cabinet table and putting it back on the kitchen table."

Other highlights include:

- a historic investment of \$102 million to establish an independently run conservation trust that will fund projects to support the Made-in-Manitoba Climate and Green Plan;
- a record investment of \$6.2 billion in Manitoba Health, Seniors and Active Living including an additional \$14 million for the Home Cancer Drug program, \$7.7 million for expanded dialysis treatment and \$3.1 million for rare disease drugs, and the creation of 60 new full-time paramedic positions
- decreasing ambulance fees to \$340 from \$425, totalling a 32 per cent decrease since forming government and keeping on track to reduce to \$250 as promised;
- a \$60.5-million increase in funding to Manitoba Families including \$13 million more for Community Living DisABILITY Services, an increase in funding to improve the supply and quality of affordable housing;
- support funding for over 700 new child-care spaces including funding for the construction of 251 new spaces;
- a \$13.7-million increase in education funding and confirmation of the construction of five new schools: Seven Oaks (kindergarten to Grade 5); Waterford Green (kindergarten to Grade 8); Southeast Brandon (kindergarten to Grade 8); Pembina Trails Waverley West (kindergarten to Grade 8), and Pembina Trails Waverley West (grades 9 to 12);
- a new Child Care Centre Development Tax Credit that gives businesses an incentive valued up to \$10,000 over five years to create daycare spaces for workers' children;
- \$70 million to launch the Lake Manitoba outlet project;
- funding to complete 'Freedom Road' this year, to complete the Waverley Street underpass and upgrade the Portage la Prairie wastewater treatment plant;
- partnering with the federal government to invest \$176.8 million in strategic agricultural initiatives over the next five years;
- investing in Look North, the long-term economic development strategy for growth and prosperity in northern Manitoba;
- supporting a northern tourism strategy; and
- a \$16-million commitment for the coming fiscal year for the Manitoba Film and Video Production Tax Credit.

“Even as we take a moderate and balanced approach to fiscal management and fixing our finances, we are investing in the priorities of Manitobans,” said Friesen. “Whether you are a small business owner, a student, a senior or a working Manitoban, Budget 2018 is designed with you in mind.”

The importance of fiscal discipline and fixing the province’s finances is demonstrated by the fact that for the first time in Manitoba history, debt servicing costs will exceed \$1 billion.

“Years of mismanagement and reckless spending by the previous government have created a situation where we take \$1 billion out of our economy and ship it to out-of-province bankers – money that cannot be invested on health, education, families or any priorities of Manitobans,” the minister said.

If debt servicing was a government department, noted Friesen, it would be the fourth-largest spending department by budget.

“We cannot lose sight of the importance of fixing our finances,” said Friesen. “Debt and deficits are not abstract concepts. It is about people, Manitobans and ensuring government can continue to provide the services that citizens need and deserve. Not just now, but into the future.”

Budget 2018 reaffirms the government’s commitments to reduce the PST to seven per cent by 2020 and balance the budget during its second term.

“Our plan is working, and when you have a plan that is succeeding – that’s getting the results you promised – you stick with it,” said Friesen. “That’s what Budget 2018 does.”

A list of Budget 2018 fact sheets for government departments can be found at: www.gov.mb.ca/budget2018/departments/index.html.