

Chamber Report

Richmond, B.C.: May 2, 2006. The Richmond Chamber of Commerce Chair Josh O'Connor applauds Prime Minister Harper and the Conservative Government for the Budget presented today – "On balance it's good for business", in particular:

- the \$600 Million over the next 8 years on the Pacific Gateway Plan.
- \$400 Million over the next 2 years to help British Columbia fight the Mountain Pine Beetle.
- the surplus for fiscal 2005, projected to be 8 Billion dollars to be used to be pay down the debt.

The following are the other key highlights that the Chamber supports.

Changes for individuals and families

- The goods and services tax (GST) will drop to six per cent from seven per cent on July 1. For people buying a new home before that, a "transitional adjustment" equivalent to the difference in rates will be offered through the income tax system.
- The lowest tax rate, applied to earned income up to about \$36,400, will continue to be 15 per cent until June 30. After that, it will rise to 15.5 per cent for income earned in the last six months of 2006, and stay at 15.5 per cent after that. (The rate was 16 per cent until the previous Liberal government cut it to 15 per cent in November 2005.)
- A total of \$250 million has been allocated for the creation of new child-care spaces across Canada, beginning in 2007.
- People who buy monthly or annual public transit passes will get a new tax credit, amounting to 15.5 per cent of the cost of the passes, effective July 1.

Changes for students

- The federal government will give up to \$1 billion to provinces and territories needing to make "urgent investments in post-secondary education infrastructure."
- Apprentices in the skilled trades will get a new \$1,000 annual grant in their first and second years, plus a tax deduction of up to \$500 for the cost of tools they need for the job, above an initial cost of \$1,000.

Changes for farmers

- An additional \$2 billion over two years has been allocated to the farm sector, including \$1.5 billion this year broken down as follows: \$500 million for farm support, and a one-

time amount of \$1 billion "to assist farmers in the transition to more effective programming for farm income stabilization and disaster relief."

Changes for businesses

- Corporate income tax rates will drop, the general rate falling from 21 per cent to 19 per cent by 2010 and the small business tax rate dropping from 12 per cent to 11.5 per cent in 2008 and 11 per cent in 2009.
- Small businesses can now earn \$400,000 in income instead of just \$300,000 before the higher general rate will apply.
- A new tax credit of up to \$2,000 is planned for companies that hire apprentices.
- The corporate surtax for all corporations will disappear as of Jan. 1, 2008.
- The federal capital tax has been eliminated, effective Jan. 1, 2006.

Changes for the arts

- The Canada Council for the Arts will get \$50 million extra over two years – \$20 million in new money for 2006-07 and \$30 million more in 2007-08.

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