

**Government of Prince Edward Island
Budget Summary**

	2016-17 Budget (\$ millions)	2015-16 Forecast (\$ millions)	2015-16 Budget (\$ millions)
Revenues			
Provincial	987.5	960.5	956.5
Federal	657.9	627.3	633.3
Crown Surplus	54.2	58.8	51.1
Capital	<u>10.6</u>	<u>8.0</u>	<u>8.0</u>
Total Revenue	<u>1,710.2</u>	<u>1,654.6</u>	<u>1,648.9</u>
Expenditures			
Program	1,524.5	1,487.8	1,476.1
Interest	126.7	128.0	127.0
Amortization	<u>68.6</u>	<u>66.5</u>	<u>65.7</u>
Total Expenditure	<u>1,719.8</u>	<u>1,682.3</u>	<u>1,668.8</u>
Deficit	<u>(9.6)</u>	<u>(27.7)</u>	<u>(19.9)</u>

Budget Initiatives

- Deficit continues to decline;
- Maintain front-line services;
- Grow the economy and workforce;
- Invest in education and our youth.

Education

- Increase operating funding to UPEI and Holland College;
- Maintain front-line teachers in the K-12 school system.

Tax Changes

- Increase the Harmonized Sales Tax by one percent effective October 1, 2016;
- Increase the PEI Sales Tax Credit by 10% effective July 2016;
- Increase tax relief for low-income Islanders for 2016;
- Eliminate the Real Property Transfer Tax for all first-time home buyers as of October 1, 2016;
- Increase the Basic Personal Income Tax exemption to \$8,000 for 2016.

Health

- Enhance the Renal Program at the Queen Elizabeth Hospital;
- Increase Health expenditures by over three percent.

Other Government Departments

- Initiatives aimed at growing our economy;
- Efforts to grow the population by attracting new immigrants.

“Our budget plan is consistent with our pledge to grow the economy, spend public dollars wisely and provide more opportunities for future generations of Islanders.”

- Hon. Allen F. Roach, April 19, 2016

Proposed Tax Changes

Retail Sales Tax Act:

	<u>Current</u>	<u>1 Oct 2016</u>
Provincial portion of the HST	9%	10%
Retail sales tax rate	14%	15%

Real Property Transfer Tax Act:

	<u>Current</u>	<u>1 Oct 2016</u>
Rate payable by first-time home buyers	1%	0%

Income Tax Act:

Non-Refundable Credit Amounts (\$)	<u>2015</u>	<u>2016</u>	Increase	
			\$	%
<i>Basic Personal Amount</i>	7,708	8,000	292	3.8%
<i>Spouse</i>	6,546	6,795	249	3.8%
<i>Dependant</i>	6,294	6,795	501	8.0%

Low-Income Tax Reduction Program Amounts (\$)	<u>2015</u>	<u>2016</u>	Increase	
			\$	%
<i>Self</i>	300	350	50	16.7%
<i>Spouse or Equivalent to Spouse</i>	300	350	50	16.7%
<i>Child</i>	250	300	50	20.0%

Refundable Sales Tax Credit Amounts (\$)	<u>2015/16</u>	<u>2016/17</u>	Increase	
			\$	%
<i>Base</i>	100	110	10	10.0%
<i>Spouse or Equivalent to Spouse</i>	50	55	5	10.0%
<i>Supplement</i>	50	55	5	10.0%