



# Canadian tax alert

## 2013 Newfoundland and Labrador budget highlights

March 27, 2013

### Budget highlights

The Honourable Jerome Kennedy, Minister of Finance and President of the Treasury Board, presented the 2013 Newfoundland and Labrador budget yesterday afternoon. The following are highlights from the budget.

- The government of Newfoundland and Labrador will trim government jobs and cut the size of the premier's cabinet in a \$7.6 billion budget.
- The province faces a deficit of \$563.5 million in the 2013-2014 fiscal year and is trimming approximately 1,200 government jobs through layoffs and eliminating vacant positions, and has approved another 200 early retirements.
- There are no increases to personal or corporate income taxes in this year's budget. However, there is a higher tobacco tax that adds 1.5 cents per cigarette as of today.
- The budget is based on a Brent crude oil price of \$105 (U.S.) per barrel. That price is far lower than the \$124 on which last year's budget was based.
- The government will continue to invest strategically with the objective of fiscal sustainability. This includes \$2.9 billion for the health and well-being of families, \$1.3 billion for K-12 and post-secondary education, and \$230 million to support communities and residents.

### The future of Canada

- Deloitte is Canada's largest tax practice and a global tax firm with a unique perspective on competitive tax policy and the key drivers of national prosperity.
- With the right tax policy, we believe that Canada can be more productive and globally competitive. The key lies in creating a tax ecosystem capable of fostering innovation and investment while supporting the objective of a balanced budget.
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### Measures concerning business

- No change to corporate or sales tax rates.

### Measures concerning individuals

- No change to personal income tax rates.

### Other tax measures

- A range of new fees and the above-mentioned higher tobacco tax will bring in \$19.3 million in the next fiscal year.

For further details, we refer you to the [Department of Finance website](#).

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