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## STATEMENT

For Immediate Release  
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Ministry of Finance

### **Government announces action plan for PST re-implementation**

VICTORIA – Finance Minister Kevin Falcon issued the following statement today, responding to the announcement from Elections BC on the outcome of the HST referendum:

“I want to start by acknowledging the passion and dedication so many people put into this referendum, whatever side they were on.

“Democracy is built on participation in the voting process, and we thank all those who took the time to vote. The size of this vote is a reflection of their engagement.

“As determined by the results of the referendum, the seven per cent PST will be reinstated in B.C. Permanent PST exemptions will return with the re-implemented PST.

“We will work as fast as we responsibly can to put the PST back in place. We have been clear from the start of this process—and as the independent panel reported—dismantling the provincial HST and reinstating the PST will take time to do properly. We are not setting a firm transition date yet, but we are targeting March 31, 2013.

“Where it makes sense, we may make some minor administrative changes to streamline and improve the PST, and we may look at what administrative improvements are possible for businesses that collect the tax within the time available.

“The HST will continue to apply at the full 12 per cent rate until the PST is re-implemented. The policy changes announced pending a “No” result in the referendum will not proceed.

“The return to the PST creates significant pressure on the government budget. In May I outlined the approximately \$3 billion-hole created in the fiscal plan over the coming years if we return to the PST.

“The lower revenues and higher cost of administering the tax in the context of increasing global economic uncertainty are an added challenge for us to manage.

“This uncertainty reinforces the need to focus on economic stability. B.C.’s economy is on solid footing thanks to 10 years of strong fiscal management. We will continue to reduce our deficit and balance our budget, and we will protect priority programs like health and education while keeping overall spending in check.

“This September, the Standing Committee on Finance and Government Services will undertake the annual budget consultation process. I will also be consulting with British Columbians on how we can best manage the loss of revenue.

“I would also like to speak directly to the financial markets. We have worked hard as a government to restore a triple-A credit rating—and we will keep it. We will continue to manage the financial pressures that face us. And we will meet our balanced budget commitment for 2013/14.

“I want to acknowledge in particular the many staff at the Ministry of Finance who worked long hours and hard days to design and implement the B.C. HST to serve the needs of British Columbians, and who are now working to return us to the PST.

“British Columbians have decided, and we will honour that decision. British Columbians can turn our focus to growing our economy and creating jobs, delivering high quality and affordable services like health care and education, and balancing our budget in a time of global economic uncertainty.”

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