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COLUMBIA

The Best Place on Earth

Harmonized Sales Tax

A Competitive Advantage for
British Columbia



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Who has asked for a harmonized tax?

A better tax for B.C.

- BC Business Council
- BC Progress Board
- BC Chamber of Commerce
- Canada West Foundation
- Conference Board of Canada
- Retail Council of Canada
- Chartered Accountants of British Columbia
- Canadian Manufacturers and Exporters
- Certified General Accountants



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Why now?

Opportunity is now:

- Ottawa has provided new flexibility.
 - B.C. can set its own tax rate
 - B.C. can tailor tax to its own specific needs with point-of-sale rebates
- Ontario implements HST July 1, 2010



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Levelling the playing field.

British Columbia – lowest HST in Canada

- British Columbia (July 1, 2010) – 12 per cent
- Ontario (July 1, 2010) – 13 per cent
- Newfoundland and Labrador – 13 per cent
- Nova Scotia – 13 per cent
- New Brunswick – 13 per cent



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The B.C. Advantage.

Over \$2 billion in savings

- Construction saves \$880 million
- Manufacturing saves \$140 million
- Transportation saves \$210 million
- Forestry sector saves \$140 million
- Mining, Oil and Gas save \$80 million
- Business compliance costs reduced \$150 million

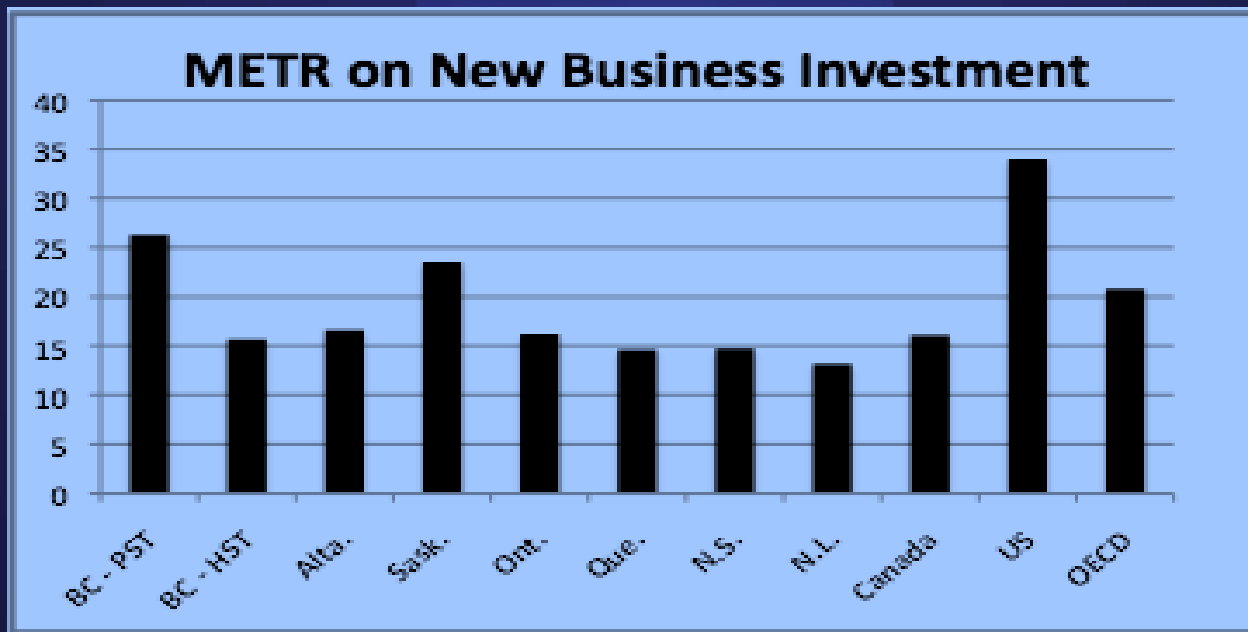


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Competing with the world.

Competitive Marginal Effective Tax Rate





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Tailored to B.C.

Point-of-sale rebates and credits

- Gasoline and diesel fuel
- Books, children's clothes & car seats, diapers, feminine hygiene products
- New homes up to \$400,000
- Low income tax credit



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Building on B.C.'s strength.

Significant tax relief since 2001

- Lowest provincial personal income taxes in Canada (for individuals earning up to \$116,000)
- Eliminated provincial income taxes (for 250,000 low income earners)
- 44 per cent reduction in small business corporate income tax rate
- 39 per cent reduction in general corporate income tax rate by 2011



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Long-term benefits

For generations to come

- More competitive business climate
- Reduce administrative and compliance costs
- Attract new investment
- Increased productivity
- Create jobs and long-term economic growth