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## **Greater Moncton Chamber of Commerce (GMCC) Reaction to Provincial Budget**

**Moncton (New Brunswick) – February 2, 2016** - As promised the Provincial Budget was tabled on Tuesday afternoon with a balanced approach resulting in a mix of cuts and hikes.

Although many were waiting for a bad news budget, the overall feeling is the news delivered was not as bad as it could have been. The increase in the HST will have the most widespread impact of anything announced today because it will affect all New Brunswickers regardless of their income. The HST is being raised from 13 per cent to 15 per cent. Anyone with an annual income of \$35 thousand dollars or less will receive an additional HST credit to compensate for the increase.

The corporate income tax rate is being increased from 12 per cent to 14 per cent however, this increase will not affect small business.

“The GMCC knows that the increase in HST is going to have an impact on our business community,” says GMCC CEO Carol O’Reilly. “Unfortunately this is the reality of the current state of the province’s fiscal health.”

Nova Scotia's Harmonized Sales Tax is currently at 15 per cent while Prince Edward Island’s is 14 per cent.

The government is lowering the provincial rate for taxable income over \$150 thousand dollars to 20.3 per cent from 21 per cent.

The freeze on provincial operating grants from the government to universities in the province will continue. Students in New Brunswick who stay at home to study will be protected from rising tuition fees as tuition hikes for stay in New Brunswick students will be capped at 2%. However, the province will not impose controls on tuition fees for out of province students in order to allow post-secondary institutions to remain competitive.



Overall the feeling coming out of this budget is that hard decisions had to be made to get the province's fiscal house in order.

“The reality is we are dealing with a softening economy and this emphasizes how important it is to belong to a network like the Chamber,” says O’Reilly. “We are committed to providing services and support to our members throughout the current economic conditions and we expect good news from the provincial government in the weeks and months to come.”

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***The Greater Moncton Chamber of Commerce is the voice of the business community for more than 825 businesses representing more than 35, 000 members in Moncton, Dieppe and Riverview and the vicinity.***

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