
BACKGROUND

2008FIN0020-001779
Nov. 20, 2008

Ministry of Finance and Ministry responsible for the Olympics

PROVINCE'S ECONOMIC PLAN SUPPORTS BRITISH COLUMBIANS

In order to implement several measures outlined in Premier Campbell's 10-point economic plan for British Columbia, the following legislative amendments are proposed:

1. **Unlimited deposit insurance for credit unions** – Financial Institutions Act – Extend the current \$100,000 coverage to unlimited deposit protection for all depositors in B.C. credit unions and enhance supervisory powers, bringing B.C. in line with other western provinces.
2. **Accelerated, retroactive personal income tax cut** – Income Tax Act – Reduce personal income tax by five per cent, retroactive to Jan. 1, 2008. This includes the two per cent tax cut that took effect July 1 of this year, as well as the planned three per cent reduction that was to take effect Jan. 1, 2009. This amendment will put an additional \$144 million in the pockets of British Columbians.
3. **Accelerated tax relief for small business** – Income Tax Act – Reduce the small business income tax rate to 2.5 per cent, effective Dec. 1, 2008. Combined with the reduction in July from 4.5 per cent to 3.5 per cent, these tax cuts will inject an additional \$146 million into B.C. small businesses over three years.
4. **Industrial property tax credit** – School Act – Introduce a 50 per cent provincial industrial property tax credit for major industrial and light industrial properties (Class 4 and 5) for the 2009 and subsequent tax years, helping B.C.'s crucial industries remain competitive, while maintaining revenue to local governments.
5. **Property assessment roll adjustments** – Assessment Act – For roughly 90 per cent of properties, 2009 property assessments will automatically reflect a property's market value as of July 1, 2007 or July 1, 2008, whichever is lower. This will include residential properties. Changes in a property's physical condition or use will be taken into account.
6. **Financial hardship property tax deferral program** – Land Tax Deferment Act – Implement a program allowing British Columbians facing financial hardship related to current economic conditions and with at least 15 per cent equity in their homes to defer their 2009 and 2010 property taxes.
7. **Protection of RRSPs from creditors** – Court Order Enforcement Act, Pension Benefits Standards Act and Law and Equity Act – Protect registered retirement savings plans, other similar registered plans and additional voluntary contributions made to pensions from seizure by creditors. There are also amendments to the Law and Equity Act in anticipation of the new tax free savings account created by the federal government.

-30-

Media Rena Kendall-Craden
contact: Communications Director
 Ministry of Finance
 250 361 5775 (cell)

For more information on government services or to subscribe to the Province's news feeds using RSS, visit the Province's website at www.gov.bc.ca.