

# What can we do?

The provincial government is serious about the tax cut plan. Now is the time to voice your opposition.

- Call, write, fax or email Finance Minister Eric Cline.  
Phone 787-6060 (Regina)  
Fax 787-6055  
Email [minister.fi0@govmail.gov.sk.ca](mailto:minister.fi0@govmail.gov.sk.ca)
- Contact your MLA.
- Talk to your family, friends, co-workers and neighbours.
- Use the information in this brochure to write a letter to the editor of your local newspaper.
- Phone in to a local radio hotline show to express your concerns.

**Clip the card below and send to  
Finance Minister Eric Cline.**

**Don't delay — mail this card today!**

**For more information call 525-0197 in Regina.**

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Eric Cline  
Minister of Finance  
Room 312  
Legislative Building  
Regina, Saskatchewan  
S4S 0B3

# Fair taxes for all of us

## There are positive alternatives:

### Make the income tax system more progressive.

A progressive tax system means that the richer you are, the higher tax rate you pay.

The rich have more disposable income (money left over after necessities) than the poor and can afford to pay more in taxes.

The Vicq Report flattens the tax rates. There's only a four per cent difference between what those at the top pay compared with those at the bottom. Under the current system, the difference is about nine per cent.

### Reduce reliance on sales taxes.

Sales taxes are regressive. They hit low and mid income people hardest.

When people are taxed on their spending, those with less money pay a much higher percentage of their income in taxes.

The wealthy can afford to save, invest or spend money out of the country, thereby avoiding the sales tax.

Working people have to spend most, if not all, of their earnings on day-to-day expenses.

### This pamphlet sponsored by:

Canadian Labour Congress, Prairie Region  
and Saskatchewan District Labour Councils

Canadian Union of Public Employees, Saskatchewan Division

Council of Canadians

Multi-Faith Social Justice Circle

Pay Equity Coalition of Saskatchewan

Political Action Group on Poverty

Prince Albert and District Labour Council

Regina Anti-Poverty Ministry

Saskatchewan Action Committee, Status of Women

Saskatchewan Alternative Budget

Saskatchewan Federation of Labour

Saskatchewan Government and General Employees' Union

Service Employees' International Union



# IS A TAX CUT ...

# ...more important than her hospital bed?

# What's this talk about tax cuts?

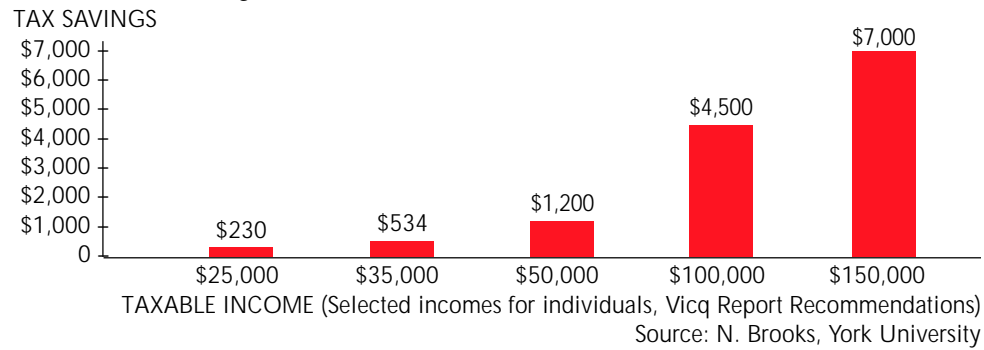
In May 1999 the Romanow government appointed three accountants to review Saskatchewan's personal taxes. The committee was chaired by Jack Vicq, an associate deputy minister of finance in the Conservative government of Grant Devine. The committee recommended cutting provincial income taxes, especially for high income earners, and broadening the sales tax (PST) to cover a long list of goods and services that are currently exempt.

## Windfall for the wealthy ...

Under the proposal, high income individuals will pocket thousands of dollars in tax savings. Low and mid income earners will only save a few hundred dollars annually in income taxes — almost all of which will be eaten away by paying PST on more goods and services.

## ... crumbs for the rest of us

### Income tax savings before additional PST costs



### No better off

The plan promises to drop 58,000 low income individuals off the income tax rolls. Even with some measures to offset the impact of an expanded PST — these families will not be better off. These are the people who rely most on public programs and who will suffer the most from reduced provincial revenues.

- A two income family earning \$35,000 will save \$56 per month.
- **BUT** a single individual earning \$100,000 will save \$350 per month.

In the long run, most of us will be worse off — because we have to pay for the tax cuts somewhere down the road. It might mean even fewer hospital beds, fewer teachers and larger class sizes, or higher tuition for post secondary education.

## It's not fair ...

Once you take into account the additional costs of paying more PST, lower income people will see minimal savings.

- A single senior earning \$15,000 a year will save \$24 per month.
- A single parent earning

# Tax cuts aren't free

The proposed cuts will cost

**\$427 million/year**

New PST revenues will generate

**\$187 million/year**

That's a shortfall of

**\$240 million/year**

## What are you prepared to sacrifice?

The loss in provincial revenues will be almost a quarter of a billion dollars, roughly equivalent to:

- The entire provincial budget for long term health care (\$257 million)
- The combined provincial operating grants for our two universities and SIAST (\$217 million)
- The entire operating budget for highways (\$213 million)
- The entire provincial budget for doctors' fees for services (\$243 million)

And it's way more than the government's projected budget surplus over the next four years.

### What savings?

The current proposal will cut personal income tax revenues by about one-third — much like the recent Mike Harris tax cuts in Ontario.

The Ontario experience shows that tax cuts don't deliver savings to average families. In fact many are worse off today than they were before the tax cuts. A three person mid-income Ontario family will **save \$738 in taxes, but will have to pay out \$766 more** for user fees, increased health care cost, higher property taxes and interest charges on the debt incurred to pay for the tax cut.

Source: 1999 Ontario Alternative Budget

### From your pocket ...

The PST will be dropped by one per cent, but expanded to more than a dozen categories, including:

- Residential electricity
- Natural gas
- Children's clothing and footwear
- Used goods
- Non-prescription drugs
- Home and auto insurance
- Restaurant meals and snack foods
- Repair services
- Entertainment
- Off-reserve purchases by First Nations people
- Personal and professional services, such as legal services

**New Cadillac —**

**You pay 1% less!**

**Used pick-up truck —**

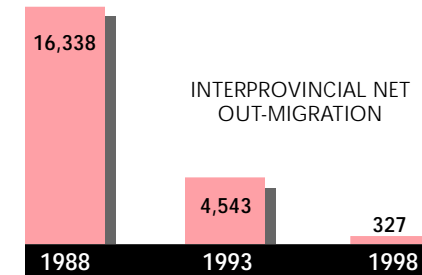
**You pay 5% more!**

# Reinvest in Saskatchewan

The plan to cut taxes is irresponsible, especially in the midst of a farm crisis. It leaves our province at financial risk. It means less money for hospitals, agriculture, schools and roads. We're told there's no money for health care, no money for farmers — but suddenly there's plenty of money for tax breaks for the wealthy.

That's not right. We can start rebuilding our province. Or we can keep tearing things down. It's a pretty clear choice. Let's do the right thing.

## Brain drain?



Despite much heated propaganda to the contrary, the number of people leaving Saskatchewan for other provinces has been declining steadily over the past decade.

Source: Saskatchewan Bureau of Statistics

*Did you know?  
We're already  
competitive*

*The combined cost of paying taxes, owning a home, paying for utilities, health and education services in Saskatchewan is among the lowest in North America.*

*Source: Government of Saskatchewan*

### Clip this portion and mail it to the Minister of Finance

Name \_\_\_\_\_

Address \_\_\_\_\_

I believe that any surplus in the provincial budget should go to:

- ✓ Properly funding Medicare and hospitals rather than a tax cut.
- ✓ A top quality education system, not a cut in taxes for the rich.
- ✓ Dramatic shortening of hospital waiting lists instead of tax cuts.
- ✓ Social services for the poor and persons with disabilities ahead of any tax cut.

Comments \_\_\_\_\_

Signature \_\_\_\_\_