

## **Budget 2024-2025**

### **\$2.9 billion in savings over the next five years by optimizing government action**

**Québec city, March 12, 2024** – In Budget 2024-2025, significant steps are being taken to optimize government action. The government will be initiating a review of its interventions with a view to improving their efficiency, which will generate \$2.9 billion in additional revenue.

#### **Adjusting certain tax assistance measures for businesses**

In the first stage, certain tax assistance measures will be adjusted to ensure their effectiveness and align them with changes to the labour market. These adjustments will reduce the cost of tax assistance for businesses by approximately \$1.0 billion over five years, while maintaining a competitive level of government support. The government plans to:

- improve the fairness and impact of tax credits supporting jobs in the information technology (IT) sector;
- enhance support for Québec film and television production;
- abolish the tax credit for businesses to foster the retention of experienced workers, which has not produced the expected effects.

#### **Asking government enterprises for optimization efforts**

The main government enterprises (Hydro-Québec, Loto-Québec, Société des alcools du Québec, Société québécoise du cannabis and Investissement Québec) will also need to carry out optimization and efficiency efforts totalling \$1.0 billion over five years. The efforts required of each enterprise will be determined in collaboration with them over the coming year.

#### **Continuing tobacco control efforts**

In addition, in a context where smoking accounts for \$3.8 billion in annual health care costs in Québec and is responsible for the deaths of 13 000 people per year, the government is announcing two increases in the specific tax on tobacco products of \$2 per carton of 200 cigarettes, which will come into effect on March 13, 2024 and January 6, 2025. This adjustment will generate \$300 million in additional revenue over five years.

Taxation of tobacco products is one of the best measures for controlling tobacco consumption, particularly among young people. Reducing the number of smokers will help achieve the objective of the government health prevention policy, which aims to reduce smoking prevalence to 10% by 2025.

#### **Ensuring the fairness and integrity of the tax system**

In order to continue to provide high-quality public services and strengthen support for communities, the government must ensure that the fairness and integrity of the tax system are maintained. To this end, the government is announcing investments of \$96.5 million over five years to roll out a series of initiatives aimed at strengthening tax audit and collection and stepping up the fight against economic crime. These measures will help generate additional revenue of \$660 million over five years.

## **Initiating a review of government expenditures**

Furthermore, the government is announcing that it will initiate a review of all its expenditures in spring 2024. To that end, one review will cover tax expenditures related to the personal and corporate tax systems as well as the consumption tax system. Another review will cover expenditures by government departments and bodies.

These exercises will help improve the government's effectiveness by modernizing its interventions in order to ensure that their objectives are being met and they are in line with the current socioeconomic context. The first steps that come out of these two reviews will be incorporated into the plan to restore fiscal balance to be presented when the next budget is released.

### **Quotation:**

“In the current economic and budgetary context, we all need to devote special efforts to improving the efficiency of government interventions in the tax system and the performance of Québec’s state-owned enterprises. It is essential that we act in a way that is consistent with the evolution of society.”

*Eric Girard, Minister of Finance and Minister Responsible for Relations with English-Speaking Quebecers*

### **Related link:**

All the details on Budget 2024-2025: <https://www.Québec.ca/en-budget>.

– 30 –

### **Source:**

Claudia Loupret  
Press Relations Officer  
Office of the Minister of Finance and Minister Responsible  
for Relations with English-Speaking Quebecers  
Tel.: 418 670-6413

### **Information:**

Charles-Étienne Bélisle  
Media Relations Officer  
Ministère des Finances  
Tel.: 418 528-7382