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## Indexing Rate of Québec's Tax System and Fees as at January 1, 2011

**Québec, October 29, 2010** – The Minister of Finance of Québec, Raymond Bachand, today announced that the indexing rate applicable to the personal tax system as well as user fees subject to indexing as of January 1, 2011 will be 1.27%.

“This rate corresponds to the percentage change in the consumer price index for Québec as calculated by Statistics Canada, excluding alcoholic beverages and tobacco products, between the 12-month period ended September 30, 2010 and the corresponding period ended September 30, 2009,” the Minister noted.

The personal income tax system is indexed to keep it up to date by reflecting the annual increase in the price of goods and services. It applies to the tax table and increases the amount of many deductions and tax credits by a rate equivalent to the rise in consumer prices in Québec during the preceding year.

“Indexing the personal tax system for 2011 represents an annual gain of \$239 million for Québec taxpayers. All in all, since 2003, indexing has meant tax savings in excess of \$2.2 billion,” the Minister indicated.

In accordance with section 83.3 of the Financial Administration Act, the Minister of Finance must announce the indexing rate that will apply to user fees that were not annually adjusted and that must be indexed effective January 1, 2011. In this regard, more than two thirds of the fees of government departments and organizations are already indexed. The Financial Administration Act sets the management framework for the financial resources of government departments, organizations as well as government enterprises.

“Indexing the tax system as well as user fees will help better reflect the rise in the cost of living,” the Minister concluded.

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