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Indexation rate of the Québec taxation system and user fees as of January 1, 2013

Québec City, November 8, 2012 – The Minister of Finance and the Economy, Nicolas Marceau, and the Minister of Employment and Social Solidarity, Minister of Labour and Minister responsible for the Status of Women, Agnès Maltais, announced today that the indexation rate applicable to the personal income tax system, the social assistance regime, and user fees that are to be indexed on January 1, 2013 will be 2.48%. The indexation rate reflects the percentage change in the Québec consumer price index, excluding alcohol and tobacco.

Indexation of the personal income tax system

The indexation of the personal income tax system makes it possible to update taxation so that it reflects the annual increase in the price of goods and services. It applies to the tax table and increases the level of several deductions and tax credits at a rate equivalent to the increase in consumer prices observed in Québec in the preceding year.

"The indexation of the personal income tax system for 2013 represents a \$574 million gain for Québec taxpayers," Minister Marceau noted.

Indexation of social assistance payments

Social assistance payments will be indexed in 2013 at the same rate as the personal income tax system. "Through such indexation, the beneficiaries of the social assistance regime will receive an additional \$71 million a year," Minister Maltais added.

Indexation of government user fees

In accordance with the *Financial Administration Act*, the Minister of Finance and the Economy must announce the indexation rate that will apply to user fees that are not already subject to an indexation rule or set annually and that must be indexed on January 1, 2013.

The indexation of user fees reflects the increase in the cost of fee-based services without increasing the share of the cost that the user of such a service assumes. It is one of the good practices related to user fees established in the policy for the funding of public services, which seeks to enhance the funding of public services to maintain their quality and continuity.

Over a full year, the government will obtain an additional \$27 million in revenue, which will be used to fund and maintain the quality of public services.

Quebecers will gain \$618 million in 2013

"Accordingly, bearing in mind both the impact of the indexation of the taxation system, social assistance benefits and government user fees, Québec taxpayers will gain \$618 million in 2013," Minister Marceau noted. He emphasized that the indexation of the taxation system, social assistance benefits and user fees will better reflect the increase in the cost of living.

The document entitled *Parameters of the Personal Income Tax System for 2013* is available on the website of the Ministère des Finances et de l'Économie (www.finances.gouv.qc.ca).

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Sources:	Mélanie Malenfant Deputy Chief of Staff and Press Relations Officer Office of the Minister of Finance and the Economy and Minister responsible for the Lanaudière region 418 643-5270 514 873-5363	Catherine Gauthier Press Relations Officer Office of the Minister of Employment and Social Solidarity, Minister of Labour and Minister responsible for the Status of Women 418 643-4810
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