

Press release

FOR IMMEDIATE RELEASE

COVID-19 Pandemic

The government is moving ahead to July 1, 2020 the reduction of the school tax

Québec City, June 10, 2020 – To afford individuals and businesses greater financial flexibility during the COVID-19 pandemic, the government is moving ahead to July 1, 2020 the reduction of the single school tax rate.

The government had already announced in Budget 2020-2021 an additional reduction of nearly \$182 million in the tax burden of property owners that attained two-thirds of the anticipated reduction. The addition of nearly \$173 million is enabling the government to announce today full standardization this year.

Accordingly, property owners will benefit from a \$355-million reduction in their tax burden for 2020-2021.

The school tax rate applicable to Québec for the period from July 2020 to June 2021 will thus be set at \$0.1054 per \$100 of standardized property assessment.

All told, the reductions announced last year and this year represent an annual saving of \$622 million for taxpayers.

"This acceleration in the reduction of the school tax rate is an effective way to afford Quebecers financial flexibility when they need it the most. We are fulfilling our commitment to eliminate injustice between the regions by standardizing the school tax rate to the lowest rate in Québec. Lastly, it should be noted that the reduction of the school tax rate has no impact on funding for the education network."

Eric Girard, Minister of Finance

Related link:

For information on COVID-19 and the assistance programs offered, please visit Québec.ca/coronavirus.

- 30 -

Source: Fanny Beaudry-Campeau

Press Relations Officer

Office of the Minister of Finance Telephone: 418-576-2786

Appendix – Impact of the school tax reduction by region –

This appendix compares the situation of taxpayers in July 2020 with that prevailing in 2018 when the commitment was made.

Illustration of the reduction in the school tax for a residence with a value of \$275 000

(\$)

()	2018		Single rate – July 2020			
	(1)	School (2)		(1),	School (2)	
	Tax rate	tax	Tax rate	(3)	tax	Difference
Bas-Saint-Laurent	0.26107	653	0.10540		264	-389
Saguenay-Lac-Saint-						
Jean	0.30932	773	0.10540		264	-509
Capitale-Nationale	0.13360	334	0.10540		264	–70
Mauricie	0.30932	773	0.10540		264	-509
Estrie	0.18434	461	0.10540		264	-197
Montréal	0.17832	446	0.10540		264	-182
Outaouais	0.13694	342	0.10540		264	–78
Abitibi-Témiscamingue	0.13694	342	0.10540		264	–78
Côte-Nord	0.23901	598	0.10540		264	-334
Nord-du-Québec	0.30551	764	0.10540		264	-500
Gaspésie	0.28500	713	0.10540		264	-449
Îles-de-la-Madeleine	0.28420	711	0.10540		264	-447
Chaudière-Appalaches	0.22586	565	0.10540		264	-301
Laval	0.23095	577	0.10540		264	-313
Lanaudière	0.27072	677	0.10540		264	-413
Laurentides ⁽⁴⁾	0.10540	264	0.10540		264	_
Montérégie	0.17832	446	0.10540		264	-182
Centre-du-Québec	0.29640	741	0.10540		264	–477

Note: In 2019, the average value of a single-family home in Québec was \$275 148 according to data compiled by the Institut de la statistique du Québec and available from the Banque de données des statistiques officielles sur le Québec.

- (1) The rate is applicable per \$100 of adjusted standardized property assessment.
- (2) The school tax payable includes the basic exemption of the first \$25 000 of adjusted standardized property assessment.
- (3) The single school tax rate corresponds to the lowest effective taxation rate in Québec in 2018-2019, that is, the rate in the Laurentides region.
- (4) Taxpayers in the Laurentides region already benefit from the lowest school taxation rate in Québec.