

CHECK AGAINST DELIVERY *Under embargo until speech begins*

Date: **April 16, 2015 - Charlottetown**

Good morning and thank you for coming.

This week I have been travelling the Island, outlining a Liberal Government's vision for the economy and job creation. It is a plan that builds on our successes and calls on our entrepreneurial spirit.

We have announced support for our primary industries, including farming and fishing. We've outlined initiatives to support jobs in the knowledge-based industries such as IT. And we're committed to supporting our exporting companies and encouraging Islanders to shop locally.

Our plan focuses on supporting Islanders and Island businesses to enable them to grow, generate more wealth, and create and sustain jobs.

Importantly, our vision for the province – across all aspects of public policy - is also one of fiscal responsibility, allowing us to respond better to the needs of Islanders.

Prince Edward Island has made significant and positive progress over the past several years. However, many challenges remain. We need to improve our fiscal position.

Islanders expect and deserve a government that is fiscally responsible. Wise investment and management of the budget means we are better able to meet the needs of Islanders through policies and programs such as healthcare, economic development, and fair taxation.

The deficit for the 2014-2015 fiscal year is \$34.5 million - a \$5 million improvement on the budget projection. This demonstrates that the budgetary restraint within government is paying off and helping to improve the fiscal outlook for our province.

We have made significant progress in that regard and are now in a position to be able to examine our taxation policies with a view of providing relief to low and moderate income Islanders.

Today I am pleased to be here to speak about the Liberal Party's commitment to social justice through progressive tax policy.

A new Liberal government will make changes to our current income tax code that will significantly benefit low-income and moderate-income Islanders.

These measures will reduce the taxes paid by almost 12,000 Islanders ... and, as a result of these changes, almost 2,300 Islanders, who currently pay income tax, will pay no income tax at all.

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Leader's Remarks

Specifically, we will:

- Increase the basic income credit by 20 per cent
- Increase the spouse or equivalent-to-spouse credit by 20 per cent
- And we will increase the child credit by 25 per cent

In addition to these changes, a new Liberal government will create a new seniors' income credit in the amount of \$250 that will be available to seniors over and above any other applicable credits that they may currently receive.

We will also increase the income threshold for these credits from \$15,000 to \$17,000, meaning more Islanders will get the full benefit of these enhanced credits.

Under these changes, Islanders will see real savings. For example:

- A single person with no children, earning \$17,000 a year, will see their personal income tax reduced by \$300.
- A single-earner family with two children, earning \$25,000 a year, will see their personal income tax reduced by \$700.
- A single senior with income of \$17,000 would see their personal income tax reduced from \$542 to \$0.

Today's announcement strikes the right balance between providing tax relief for those who need it the most while living within our means. As we continue to improve our fiscal position, we will continue to look for additional ways within the tax code to provide relief to Islanders.

The Liberal Party believes that Islanders with low and moderate incomes ... including younger Islanders ... single parents ... and many of our seniors ... deserve to pay less tax.

The announcements made here today on tax policy will result in a fairer tax code and will make a positive difference in the lives of many Islanders.

Thank you for coming.

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