



2011 Federal Budget Summary

Earlier today, the Honourable Jim Flaherty, Minister of Finance tabled the 2011 federal Budget. The following is a summary of provisions in the Budget of interest to local governments and UBCM policy.

Infrastructure Plan and Gas Tax Fund Legislation

The Budget commits the federal government to work with provinces, territories, the Federation of Canadian Municipalities and other stakeholders to develop a new long-term plan for public infrastructure. The federal government has also promised to introduce legislation to confirm a permanent annual investment of \$2 billion in the Gas Tax Fund.

Volunteer Fire Fighter Tax Credit

UBCM has endorsed several resolutions calling for a tax credit for volunteer fire fighters. Budget 2011 commits the federal government to establishing a new tax credit for volunteer firefighters who perform at least 200 hours of service in their communities.

Protecting the Environment

The federal government will invest almost \$870 million over two years for Canada's Clean Air Agenda. This funding includes \$252 million to support regulatory activities to address climate change and air quality and \$400 million in

2011-12 for the Eco-Energy Retrofit Homes Program, which helps homeowners make their homes more energy efficient.

Support for Rural and Remote Communities

To address the shortage of doctors in rural and remote communities, the federal government will forgive up to \$40,000 from the federal component of Canada Student Loans for new family physicians and up to \$20,000 for nurse practitioners and nurses, provided they agree to practice in under-served rural or remote areas.

Forest Innovation and Market Development

\$60 million in support will be provided to the Canadian forest industry by extending the Forest Innovation and Market development programs to 2011-12.

Arts Programs for Children

The Government of Canada will establish a new Children's Arts Tax Credit, covering up to \$500 per child in qualifying expenses for eligible arts or cultural activities.

Provisions for First Nations

The federal government will invest \$22 million over two years to help First Nations ensure that the fuel tanks that supply generators for essential community services meet environmental safety

standards. An additional \$30 million will be provided over two years in the First Nations Policing Program to supplement existing policing services.

Support for Seniors

The federal government will provide additional seniors who rely almost exclusively on their Old Age Security and the GIS by providing a new annual top-up benefit of up to \$600 for single seniors and \$840 for couples. This measure represents an investment of more than \$300 million per year, and will improve the financial security of more than 680,000 seniors across Canada. The New Horizons for Seniors Program will also be enhanced with \$10 million over two years to support projects that increase the participation of seniors in activities in their communities.