

## Handout 2.1: 2023 Budget Highlights

Each year, the Government of Canada prepares a budget that provides Canadians with a financial plan that estimates revenue amounts and expenses for the current year, as well as projections for future years.

The 2023 budget was released on March 28, 2023, and was titled “A Made-in-Canada Plan: Strong Middle Class, Affordable Economy, Healthy Future.”

### Key info:

- Unlike the calendar year, the government **fiscal year** runs April 1 to March 31 (12 months).
- Between April 2023 and March 2024, the **expenditures** (money being spent) were expected to be about **\$490.5 billion**. In comparison, this amount was projected to be about \$470.4 billion during the previous year.
- Between April 2023 and March 2024, the amount of **revenue** (money coming in) was expected to be about **\$456.8 billion**. In comparison, this amount was \$437.3 billion during the previous year.
- The budget document lays out a plan that would see the federal **deficit** (spending shortfall) decrease from about **\$40.1 billion** in the 2023-24 fiscal year to \$14.0 billion by 2027-28.

### KEY SUPPORT MEASURES INCLUDE:

<b>Jobs creation, workers and affordability</b>	<ul style="list-style-type: none"> <li>● \$2.5 billion for a one-time grocery rebate, with some families eligible to receive up to \$230 per adult and \$121 per child, up to a maximum of \$467 per family.</li> <li>● \$197.7 million to create work placement opportunities for post-secondary students.</li> <li>● A \$500 to \$1,000 tax deduction for tradespeople to purchase equipment.</li> <li>● A proposed “anti-scab” law banning the use of replacement workers during a strike in federally regulated industries.</li> </ul>
<b>Climate Action and a Green Economy</b>	<ul style="list-style-type: none"> <li>● \$21 billion over five years will go toward transitioning Canada to green energy. This includes:               <ul style="list-style-type: none"> <li>○ \$6.3 billion over five years for a tax credit for clean electricity.</li> <li>○ \$5.6 billion over 5 years for a ‘clean hydrogen investment tax credit,’ to reward those who invest in producing clean hydrogen fuel.</li> <li>○ \$4.5 billion over five years for a tax incentive to manufacture clean technology, including mineral processing and extraction, zero-emissions vehicles, batteries, and nuclear storage.</li> <li>○ \$650 million over ten years to monitor and restore major bodies of water, including the Great Lakes, Lake Winnipeg, and the St. Lawrence River.</li> </ul> </li> </ul>
<b>Indigenous Reconciliation</b>	<ul style="list-style-type: none"> <li>● \$4 billion over seven years (starting in 2024) for an Indigenous housing strategy.</li> <li>● \$2.8 billion as a part of the ‘Band Class settlement,’ which aims to compensate some First Nations for harms caused by the residential school system.</li> </ul>

	<ul style="list-style-type: none"> <li>● \$171 million to ensure First Nations children have healthcare access under <i>Jordan's Principle</i>.</li> </ul>
<b>Health Care</b>	<ul style="list-style-type: none"> <li>● More than \$3 billion for healthcare as part of Canada's multi-year agreement with the provinces.</li> <li>● \$13 billion over five years for dental care for low and middle-income families.</li> <li>● Canada's dental care program opened for children under 12 in 2022, and was set to expand in 2023 to people under 18, persons living with a disability, and seniors, with full implementation for other segments of the population anticipated by 2025. The program would be restricted to families with an income of less than \$90,000 annually.</li> <li>● \$359.2 million over 5 years to tackle addictions and substance abuse, including support programs, safer supplies, supervised injection sites, and research on substance use.</li> <li>● \$158 million over three years for a suicide-prevention hotline.</li> <li>● \$36 million over three years for reproductive health.</li> </ul>
<b>Defense and Security</b>	<ul style="list-style-type: none"> <li>● A \$2.4 billion loan to Ukraine via the International Monetary Fund.</li> <li>● \$156.7 million over five years for support for veterans through Veterans Affairs Canada, the RCMP, and the Veterans Review and Appeal Board.</li> <li>● \$48.9 million over three years to the RCMP to help protect Canadians from harassment and threats by foreign governments.</li> </ul>
<b>Science</b>	<ul style="list-style-type: none"> <li>● \$1.1 billion for the Canadian Space Agency to continue participation in the International Space Station until 2030.</li> <li>● \$1.2 billion over 13 years to the Canadian Space Agency to continue building a lunar utility vehicle.</li> </ul>

**SOURCES OF REVENUE:**

<b>New Tax Regulations</b>	<ul style="list-style-type: none"> <li>● \$3 billion over 5 years by taxing top income earners. <ul style="list-style-type: none"> <li>○ Raising the Alternative Minimum Tax (AMT) rate from 15% to 20.5%, but also raising the income threshold for Canadians who pay the AMT from \$40k to \$173k.</li> </ul> </li> <li>● \$2.5 billion over five years (starting in 2024) by taxing share buybacks by public corporations.</li> <li>● 3.15 billion over five years by taxing dividends received on Canadian shares held by financial institutions as business income.</li> </ul>
<b>Cost Saving</b>	<ul style="list-style-type: none"> <li>● A \$7.1 billion spending cut over five years on consultants, travel and professional services.</li> <li>● A \$7 billion cut in departmental spending over four years.</li> </ul>