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Sask. shows way With massive tax reductions planned

By CHUCK DAVIDSON

There was a time not too long ago when no matter how bad things may have been in Manitoba, we could always say "Well, at least we're not Saskatchewan."

For years we had a stronger economy than Saskatchewan, Manitobans weren't fleeing to Alberta in droves like our neighbours to the west and, of course, the Bombers always had a better record than the Riders. But oh, how times have changed.

Manitoba and Saskatchewan's tax levels have traditionally been pretty similar, but last week Saskatchewan Premier Brad Wall's government delivered a speech from the throne that included massive tax reduction commitments that leave Manitoba in the dust.

The speech indicated Saskatchewan's population is growing at its fastest rate in more than 50 years and increased economic activity in the province -- thanks in part to the rich resource and commodity base -- has resulted in increased government revenues of more than \$3 billion.

The highlights of Saskatchewan's new direction include the largest single-year income tax reduction in the province's history, the largest amount of debt reduction in its history and the largest investment in infrastructure in its history, while at the same time maintaining a \$1.9-billion cash balance in their Rainy Day Fund.

A single person in Saskatchewan now doesn't pay income taxes on the first \$13,700 they earn, an increase of \$4,300. A single parent with two kids can now earn \$35,920 before paying provincial income tax, an increase of over \$10,000. A family of four with both parents working can now earn \$41,300 before paying any provincial income tax, an increase of almost \$13,000.

The new measures will result in 80,000 low-income taxpayers no longer paying any provincial income taxes.

The Saskatchewan government has clearly demonstrated that when the economy is strong paying down debt, investing in key priorities and returning money to individuals in the form of huge tax breaks is the right recipe to ensure that strong economic growth continues.

It will be interesting to see how Manitoba responds.

Like Saskatchewan, Manitoba's economy has also been performing well and many economic forecasters have predicted Manitoba's GDP growth to be the second-highest in Canada.

Like Saskatchewan, Manitoba's population is on the rise, as we surpassed the 1.2 million mark earlier this year and experienced the largest population growth last year in more than 35 years.

And like Saskatchewan, Manitoba Finance Minister Greg Selinger recently announced our Rainy Day Fund has increased to more than \$800 million, and that in the past eight years we have put more than \$800 million into debt retirement.

The question now is will the Doer government choose to be like Saskatchewan when it comes to aggressively cutting personal income taxes, or will it ignore what's happening to the west of us?