BN-2024-00022
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April 18, 2024

Information Note
Intergovernmental Affairs Secretariat

Title: Federal Budget 2024

Issue: This note provides an overview of Federal Budget 2024.

Background and Current Status:

- On March 16, 2024, Deputy Prime Minister and Finance Minister Chrystia Freeland delivered Budget 2024, "Fairness for Every Generation".
- Budget 2024, with an estimated $52.9 billion in spending, identifies three key areas of priority: 1) bold action to build more homes; 2) help make life cost less; and 3) grow the economy in a way that is shared by all.
- The International Monetary Fund and the Organization for Economic Co-operation and Development project that Canada will see the strongest economic growth in the G7 in 2025.
- Key overall financial and economic indicators can be found in the table that follows:

Key Indicators	Federal Budget 2024 (April 2024)	NL Budget 2024 (March 2024)
Total Revenue	$497.8 billion	$10.3 billion
Total Expenditures	$534.6 billion	$10.4 billion
Surplus (Deficit)	($39.8 billion)	($152 million)
Net Debt	$1.25 trillion	$17.8 billion
Net Debt-to-GDP Ratio	1.3%	44.1%
Real GDP Growth (2024)	0.7%	5.1%
Unemployment Rate (2024)	6.1%	10%

SOURCES: Federal Budget 2024, NL Budget 2024, and Department of Finance (provincial)

- The deficit is projected to decline in every year of the forecast, from $38.9 billion in 2025-26 to $20 billion in 2028-29.
- Budget 2024 shows federal debt for 2023-24 was $1.25 trillion and is expected to increase to $1.26 trillion in 2024-25 and increase again to $1.29 trillion in 2025-26. Debt as a percentage of GDP is expected to decline from 42.1 per cent in 2023-24 to 39.0 per cent of GDP in 2028-29.
- A summary of key measures announced in Budget 2024 can be found in Annex A. Detailed fiscal and economic indicators from Budget 2024 can be found in Annex B.

<u>Opposition Response</u>

- Leader of the NDP, Jagmeet Singh, has indicated some aspects of Budget 2024 are ones the NDP fought to include (e.g. protection for renters, national school food program, pharmacare, youth mental health fund). NDP concerns with the budget include the Liberals not targeting corporate greed aggressively enough, the low amount of money for the Canadian disability benefit, and the lack of infrastructure and housing funding for Indigenous communities.
- Conservative Leader, Pierre Poilievre, has indicated the Conservative Party will vote against the "wasteful, inflationary budget". He indicated that the past Liberal budgets have fueled inflation and that this pattern will continue with the spending outlined in Budget 2024.

- Bloc Québécois Leader, Yves-François Blanchet, has indicated his caucus will not support the budget and that the budget does not meet the bar for health care funding that QC and other provinces and territories need. The Bloc has also highlighted that many initiatives in the budget interfere with QC's areas of jurisdiction and will hamper their ability to provide services efficiently and effectively.

<u>Provincial-Territorial (PT) Responses</u>

- Responses from PTs to Budget 2024 include:
  - AB expressed disappointment at federal intrusion into provincial jurisdiction;
  - NS highlighted the need for greater federal collaboration with PTs;
  - AB and NB were disappointed in the continuation of deficit spending;
  - ON, AB, SK, NB, and NS were disappointed that the carbon tax was not removed;
  - AB expressed disappointment at the lack of support for industries impacted by "federal policies related to the clean economy"; and,
  - AB expressed a desire to see a top-up in funding for Labour Market Transfer Agreements.

- While there was support for the housing measures and housing-enabling infrastructure funding from ON and NS, AB and SK indicated a desire to see long-term flexible infrastructure funding, including for municipal infrastructure.

- NS indicated support for defence spending.

- ON expressed support for the budget's recognition of the importance of Canada's end-to-end electric vehicle battery supply chain.

<u>Indigenous Organization Responses</u>

- The Assembly of First Nations (AFN) noted they are pleased with investments proposed for First Nations' health, children, and for the new business loan guarantees for large projects. However, they indicated that proposals related to housing, policing, roads, and water fall short of closing the infrastructure gaps First Nations experience that create difficulties for First Nations people. They also indicated the need for a renewed commitment to reconciliation and partnership with First Nations people. Newfoundland Regional Chief Brendan Mitchell, also the AFN's portfolio holder for housing and infrastructure, reiterated the lack of budget investments in First Nations housing and infrastructure.

- The Métis National Council (MNC) noted they are pleased to see Budget 2024 include important investments in the Métis Nation, including investments in economic development through the recapitalization of the Métis Capital Corporations, and the commitment to advance reconciliation and promote more equitable outcomes amongst Indigenous Peoples through a distinctions-based funding model in housing and infrastructure. However, MNC also noted critical gaps in distinctions-based funding in areas such as health and emergency management.

- Inuit Tapiriit Kanatami (ITK) noted they are encouraged by Inuit-specific investments in the federal budget, including housing and infrastructure funding, funding to co-develop legislation and policy options to facilitate the sale and trade of traditional country foods, funding for the Inuit Child First Initiative, and others. ITK would like additional details about other promising investments (e.g. food security funding, Inuktut language and cultural programs). ITK indicated disappointment in the absence of funding to eliminate tuberculosis by 2030.

<u>Analysis:</u>

- IGAS advises the budget responds to some provincial priorities, including:
  - Measures associated with increasing housing affordability and supply, including a focus on building on public lands, particularly Canada Post and National Defence lands, and using underused government offices.
  - Health investments such as the launch of the National Pharmacare Plan (2024-25), a new Canada Disability Benefit (July 2025) and a new Youth Mental Health Fund.
  - Extending Employment Insurance benefits to eligible seasonal workers for up to an additional five weeks.
  - Additional support to build more child-care spaces.
  - A National School Food Program.
  - Increasing immigration with a plan to expand the Immigration Levels Plan to include both temporary and permanent resident admissions starting this fall.
  - More design and implementation details on the Clean Electricity Investment Tax Credit.
  - Increase in defence spending.
  - Support for post-secondary education savings, with the $2,000 Canada Learning Bond.
  - A new EV Supply Chain Investment Tax Credit to support the EV supply chain.
  - A new Canadian Entrepreneurs' Incentive to provide a tax break for entrepreneurs.
  - Numerous commitments to support Indigenous communities, including the Indigenous Loan Guarantee Program and additional investments to support housing and enabling infrastructure needs in First Nations, Inuit and Metis communities.
  - Intention to disperse monies from Clean Fuel Regulations compliance payments to support biofuel production.

- The budget did not respond to other provincial priorities, including:
  - No elimination of the carbon tax, however, a new refundable tax credit has been added to return fuel charge proceeds to small businesses.
  - No details on previously announced green Investment Tax Credits (CCUS, hydrogen).
  - No details on the continuation of annual top-up funding under Labour Market Transfers Agreements (LMTAs).
  - No further details on the future of cost-shared federal infrastructure programs.
  - No measures aimed at boosting investment or improving competitiveness.

- Some noteworthy new funding commitments in the budget include:
  - $6 billion over 10 years for a new Canada Housing Infrastructure Fund to accelerate the construction and upgrading of housing-enabling water, wastewater, stormwater, and solid waste infrastructure. $1 billion would go directly to municipalities, while $5 billion is for agreements with PTs to support long-term priorities, subject to committing to key actions. 29(1)(a) [redacted]
  - $1.5 billion over five years, starting in 2024-25, to Health Canada to support the launch of the National Pharmacare Plan. Phase one to cover a number of contraception and diabetes medications [redacted] 29(1)(a)
  - $1 billion over five years starting in 2024-25 to expand access to school food programs. 29(1)(a) [redacted]
  - $500 million over five years for a new Youth Mental Health Fund, starting in 2024-25, to help younger Canadians access mental health care. [redacted]

29(1)(a)

34(1)(a)(i), 34(1)(b)

- [redacted]
- [redacted]
- [redacted]
- On March 27, 2024, the Council of Atlantic Premiers (CAP) wrote the Prime Minister to discuss the priorities of Atlantic Canadians, including the ongoing housing crisis, lack of details on federal infrastructure and labour market spending, as well as the national pharmacare program. Atlantic Premiers requested early PT engagement when it comes to decisions on housing in PT jurisdictions, and more clarity on the federal government's plans for infrastructure investments and the future of LMTA top-up funding. The letter referenced the importance of federal investments in these areas and the need for predictable funding for municipalities, service providers, and the people who depend on them.

- On April 16, 2024, CAP wrote to Ministers Freeland and Valdez on the carbon tax revenues collected from small businesses since 2019 that remain undistributed. Budget 2024's Canada Carbon Rebate for small businesses should address these concerns.

- The federal government is increasingly linking housing and infrastructure funding, [redacted]

34(1)(a)(i), 29(1)(a)

- Budget 2024 proposes to provide an additional $400 million over four years, starting in 2024-25, to the Canada Housing and Mortgage Corporation, to top up the Housing Accelerator Fund. This will help fast track 12,000 new homes in the next three years. IGAS notes that projects in Channel – Port Aux Basques ($3.3 million/390 units), Mount Pearl ($6.1 million/2,000 units), and St. John's ($10.4 million/4,138 units) are listed in the budget.

29(1)(a), 34(1)(a)(i)

- [redacted]

- Budget 2024 suggests that addressing the housing crisis is also about building a strong economy. Given Canada's current housing pressures, the federal government is committed to ensuring a well-managed, responsive, and sustainable immigration system to help balance housing supply with housing demand. The federal government has committed to working with every order of government, for profit and non-profit homebuilders, Indigenous communities, and every partner necessary to reach at least 3.87 million new homes by the end of 2031.

- Indigenous organizations, including the Assembly of First Nations, Inuit Tapiriit Kanatami, and Métis National Council estimate it would take more than $425 billion to close the infrastructure gap in their communities by 2030. This estimate notably does not cover housing, but rather the type of public infrastructure needed to build and support housing (e.g. roads, ports, harbours, airports, water, waste disposal resources, etc.).

- Through LMTAs, such as the Labour Market Development Agreement (LMDA) and the Workforce Development Agreement (WDA), PTs receive more than $3 billion in annual federal funding towards the delivery of skills training and employment supports that help people prepare for and return to work. Federal Budget 2017 announced annual top-up funding of $625 million, which was extended in Budget 2023 for one year (2023-24). Budget 2024 states that $3 billion will continue to be provided to PTs through the LMDA and WDA, but there is no specific continuation of the annual top-up funding that PTs were looking for. 29(1)(a), 34(1)(a)(i)

- [redacted]

Prepared/Reviewed by: L. MacDonald et al./D. Macmillan
Reviewed by: L. Power/G. Skinner, Cabinet Secretariat
Approved by: P.Hearn, Deputy Minister

April 17, 2024

ANNEX A
Overview of Key Budget Measures

Affordable Homes

Measures to Make More Land Available

- The federal government has a number of measures to make available land on which to build housing (Public Lands, Canada Post Properties, and National Defence Lands).
- **Building Homes on Public Lands:** To enable new homes to be affordable by avoiding unnecessary upfront capital costs, the federal government will convert public lands to housing, whenever possible and will review its lands portfolio to identify more land for housing.
- **Canada Lands Company Overhaul:** An overhaul was announced of the Canada Lands Company to expand its activities to build more homes on public lands. Further, $4 million over two years to support new modular housing projects on four sites in NS, AB, ON and QC.
- **Public Lands Acquisition Fund:** $500 million over five years to launch a new Public Lands Acquisition Fund to purchase land from other orders of government.
- **Federal Lands Initiative Top-Up:** $112.6 million over five years to top up the Federal Lands Initiative to unlock a minimum of 1,500 homes.
- **Public Land Bank:** $15 million over five years to deliver the new Public Land Bank and geo-spatial mapping tool.
- **Building Homes on Canada Post:** Six Canada Post properties (none in Newfoundland and Labrador) are being assessed for housing development potential (three in QC, one in AB, two in BC). Further, Canada Post will be enabled to prioritize leasing or divestment of properties with high potential for housing. Also, a new Canada Post Housing Program is intended to be launched to support affordable housing providers to building on disposed or leased Canada Post properties.
- **Building Homes on National Defence Lands:** 14 surplus properties will be divested (none in Newfoundland and Labrador).
- **Converting Underused Federal Offices into Homes:** $1.1 billion over ten years to reduce Public Services and Procurement Canada's office portfolio by 50 per cent.
- **Taxing Vacant Lands:** To incentivize construction, the Federal Government will consider introducing a new tax on residentially zoned vacant land.

Measures to Build More Houses and Apartments

- **Apartment Construction Loan Program**:
  - $15 billion in new loan funding to bring total funding to over $55 billion for the program. This will build more than 30,000 additional new homes across Canada.
  - Reforms to the program to make it easier to access (e.g. extending the terms of the loans offered, extending access to include projects for students and seniors, access for builders to move forward on more than one project at once, etc.)
- **Canada Builds:** A program for PTs to leverage the $55 billion from the Apartment Construction Loan Program. To access federal financing, PTs will be expected to meet the benchmarks set by BC Builds. The Federal Government will initiate discussions with PT governments as soon as possible.
- **Housing Accelerator Fund:** $400 million over four years to top up this fund to help fast track 12,000 new homes in the next three years.
  - Newfoundland and Labrador agreements signed to date: $3.3 million to build 390 new homes in Channel-Port Aux Basques, $6.1 million to build 2,000 in Mount Pearl and $10.4 million to build 4,138 in St. Johns over 10 years.

- **Canada Housing Infrastructure Fund (new):** $6 billion over 10 years to accelerate the construction and upgrading of housing-enabling water, wastewater, stormwater, and solid waste infrastructure.
  - $1 billion directly to municipalities.
  - $5 billion for agreements with PTs to support long-term priorities. PTs can only access this funding if they commit to key actions (outlined on page 50 of the budget document). Provinces have until January 1, 2025 to secure an agreement.
- **Leveraging Transit Funding to Build More Homes**: Any community seeking access to long-term funding through the forthcoming permanent public transit fund will be required to take action that directly unlocks housing supply.
- **Canada Secondary Suite Loan Program (new)**: $409.6 million over four years to enable homeowners to access up to $40,000 in low-interest loans to add secondary suites to their homes. Targeted changes to mortgage insurance rules will also be made to support homeowners to add more units to their homes.
- **Accelerated Capital Cost Allowance (new, temporary)**: Will increase the allowance rate from 4 per cent to 10 per cent for eligible new purpose-built rental projects that begin construction on or after Budget Day and are available for residents to move in before January 1, 2036.
- **Removal of GST on New Student Residences**: The eligibility conditions for the removal of GST on new student residences will be relaxed for not-for-profit universities, public colleges and school authorities.

Measures to Change How Homes are Built

- **Homebuilding Technology and Innovation Fund:** $50 million to launch this new fund to support housing innovation in Canada.
- $50 million over two years through Canada's Regional Development Agencies to support **local innovative housing solutions** across the country, such as designing and upscaling of modular homes, the use of 3D printing, mass timber construction, and panelized construction.
- $500 million through the Apartment Construction Loan Program to homebuilders that use innovative construction techniques, such as modular housing, for new rental projects.
- **Housing Design Catalogue**: $11.6 million in 2024-25 to support the development of its Housing Design Catalogue for up to 50 housing designs, such as modular housing, row housing, fourplexes, sixplexes, and accessory dwelling units, that PTs, and municipalities could use to simplify and accelerate housing approvals and builds.

Measures to Increase Skilled Trades Persons

- **Apprenticeship Service:** $90 million over two years to create placements with small and medium sized enterprises.
- **Skilled Trades Awareness and Readiness Program:** $10 million over two years to encourage Canadians to explore and prepare for careers in the skilled trades.
- **Measures to Recognize Foreign Construction Credentials and Improve Labour Mobility:** $50 million to streamline foreign credential recognition in the construction and health sector. The Federal Government is calling on PTs to expedite the removal of barriers to foreign credential recognition.

Measures to Make it Easier to Own or Rent a Home

- **Credit for Paying Rent**: the government is calling on banks, fintechs, and credit bureaus to prioritize launching tools to allow renters to opt-in to reporting their rent payment history to credit bureaus, to strengthen their credit scores and unlock pathways for more renters to become homeowners.

- **Tenant Protection Fund**: $15 million over five years for a new fund which will provide funding to organizations that provide legal and informational services to tenants.
- **Canadian Renters' Bill of Rights**: will be developed and implemented in partnership with PTs to protect renters from unfair practices, make leases simpler, and increase price transparency.
- **30 Year Mortgage Amortizations**: these will be allowed for first-time home buyers purchasing newly constructed homes.
- **Home Buyers' Plan Amendments**: amend the Income Tax Act to increase this limit from $35,000 to $60,000 and to temporarily extend the repayment grace period – see Tax Policy note.
- **Canadian Mortgage Charter**: enhancements to provide support to Canadians facing mortgage hardships.
- **Halal Mortgages**: new measures are being explored to expand access to alternative financing products, like halal mortgages.
- **Cracking Down on Real Estate Fraud**: $73.1 million over five years to continue addressing tax non-compliance in real estate transactions.
- **Flood Insurance**: intention to establish a subsidiary of the CMHC to deliver a flood reinsurance program and a separate insurance subsidy for households at high risk of flooding.
- **Corporate Housing Investors Restrictions**: intention to restrict the purchase and acquisition of existing single-family homes by very large, corporate investors.

Measures to Help Canadians who can't Afford a Home

- **Affordable Housing Fund**: $975 million over five years to launch a new Rapid Housing stream under the Affordable Housing Fund to build affordable housing, supportive housing and shelters for the most vulnerable.
- **Canada Rental Protection Fund:** $1.5 billion to protect the stock of affordable housing in Canada, including $1 billion in loans and $470 million in contributions to support affordable housing providers to acquire units and preserve rents at a stable level.
- **Federal Community Housing Initiative:** intention to introduce flexibilities to this initiative to ensure that eligible housing providers can access funding to maintain housing affordability.
- **Canada Greener Homes Affordability Program (new):** $800 million over five years to support the direct installation of energy efficient retrofits for Canadian households with low to median incomes. Will be co-delivered with PT partners and complements the Greener Homes Loan program, which provides interest-free loans for energy efficiency home retrofits.
- $73.5 million to renew and modernize existing energy efficiency programs that offer tools to building owners.

Reaching Home – Canada's Homelessness Strategy

- $1 billion to stabilize funding under this strategy.
- $250 million over two years to address the urgent issue of encampments and unsheltered homelessness. This funding will require PTs to cost-match federal investments and will help: to train homelessness support workers, and to respond to the unique experiences of those affected by unsheltered homelessness.
- **Interim Housing Assistance Program:** $1.1 billion over three years to extend this program, conditional on provincial and municipal investments in permanent transition housing solutions for asylum claimants.

Immigration

- Starting Fall 2024, the Federal Government will expand the Immigration Levels Plan to include both temporary resident admissions and permanent resident admissions, with the ultimate goal to ensure a well-managed, responsive, and sustainable immigration system to help balance housing supply with housing demand.
- Proposes to provide IRCC, the Canada Border Services Agency, and the Immigration and Refugee Board with $743.5 million over five years, starting in 2024-25, with $0.9 million in remaining amortization, and $159.5 million ongoing, to support the stability and integrity of Canada's asylum system.
- Proposes to introduce changes to the **Immigration and Refugee Protection Act** to simplify and streamline the claims process in support of faster decisions and quicker removals.

Lifting Up Every Generation

Health Care

- **Foreign Health Care Credential Recognition**: $77.1 million over four years to more effectively integrate internationally educated health care professionals into Canada's health workforce.
- **National Pharmacare Plan**: $1.5 billion over five years, starting in 2024-25, to Health Canada to support the launch of the National Pharmacare Plan. Phase one to cover a number of contraception and diabetes medications.
- **Canada Disability Benefit Act:** A direct benefit for low-income working age persons with disabilities. Intention to come into force in June 2024 in order for payments to begin in July 2025.
  - maximum benefit amount of $2,400 per year for low income persons with disabilities between the ages of 18 and 64.
  - $6.1 billion over six years, beginning in 2024-25, and $1.4 billion per year ongoing, for the new Canada Disability Benefit.
  - $243 million over six years, beginning in 2024-25, and $41 million per year ongoing, to cover the cost of the medical forms required to apply.
- **Expanding the Disability Supports Deduction**: $5 million over five years, starting in 2024-25, and $1 million per year, ongoing to make additional expenses eligible. Eligible expenses to be reviewed every four years, beginning in 2028. See Tax Policy note.
- **Ensuring Access to Essential Drugs and Medical Devices**: $3.2 million over three years to upgrade Health Canada's supply management capacity for drugs and medical devices.

Children

- **A National School Food Program**: $1 billion over five years starting in 2024-25 to expand access to school food programs.
- **Child Care Expansion Loan Program**: Funding to help build more child care spaces by launching this program that will offer $1 billion in low-cost loans and $60 million in non-repayable contributions to public and not-for-profit child care providers to build/renovate. Also, to reallocate funding to establish a new capacity building program to help providers apply for funding.
- **Helping Early Childhood Educators**: Expansion of the Canada Student Loan Forgiveness Program to early childhood educators who work in rural and remote communities. Also, $10 million over two years to increase training for early childhood educators.
- **Making it Easier to Save for Your Child's Education**: Intention to introduce automatic enrolment in the Canada Learning Bond for eligible children who do not have a Registered

Education Savings Plan opened for them by the time the child turns four. Also, intention to introduce changes to the Canada Education Savings Act to extend the age from 20 to 30 years to retroactively claim the Canada Learning Bond.

- **After-School Learning**: Proposes $67.5 million over three years to enhance financial support for after-school learning.
- **Coding Skills for Kids**: $39.2 million over two years to enhance the CanCode program.

Millennials and Gen Z

- **Increasing Student Grants and Loans**: intention to extend the increase in full-time Canada Student Grants and interest-free Canada Student Loans for one additional year (2024-25).
- **Fair Access to Student Aid**: Intent to review the designated educational institution status of private learning institutions for the purposes of the Canada Student Financial Assistance Program. More details to come in the 2024 FES. Also, beginning on August 1, 2024, Canadian citizens and permanent residents will be ineligible to receive Canada Student Financial Assistance while studying at Russian post-secondary institutions.
- **More Rent Support for Students**: Proposal to modernize the shelter allowances used by the Canada Student Financial Assistance Program when determining financial need.
- **Helping People Return to School**: Proposal to permanently eliminate the credit screening requirement for mature students applying for Canada Student Grants and Loans for the first time.
- **Helping Students Gain Work Experience**: $207.6 million in 2025-26 to create more work-integrated learning opportunities for post-secondary students.
- **Jobs and Skills Training for Gen Z**: $351.2 million in 2025-26 to create more youth job opportunities.
- **Youth Mental Health Fund**: $500 million over five years for a new fund, starting in 2024-25, to help younger Canadians access mental health care.

Seniors

- **Stronger Canada Pension Plan**: As part of the 2022-24 Triennial Review, proposal to make technical amendments to the CPP legislation including:
  - Provide a top-up to the Death Benefit for certain contributors.
  - Introduce a partial children's benefit for part-time students.
  - Extend eligibility for the disabled contributors children's benefit when a parent reaches age 65.
  - End eligibility for a survivor pension to people who are legally separated after a division of pensionable earnings.
- **Seniors Long-Term Care**: Introduction of a Safe Long Term Care Act to support new national long-term care standards.

Cost of Living

Measures to Strengthen Local Food Security

- **Local Food Infrastructure Fund:** $62.9 million over three years to expand eligibility for this fund to community organizations that invest in local food infrastructure.

Measures to Support Farmers

- Budget has announced the intention to launch consultations on interoperability and calling on PTs to amend their contract laws to support interoperability so that farmers can use their equipment in the way that is best for their farm.

- $64 million in 2024-25 to support a $250,000 interest-free limit on **Advance Payments Program** loans for the 2024 program year.

Measures to Support Fairer Prices

- **Cell Phone, Home Internet, Home Phone Carrier Fees**: Amend the **Telecommunications Act** to better allow Canadians to renew or switch between home internet, home phone and cell phone plans: carriers will be prohibited from charging consumers extra fees to switch carriers, carriers will be required to help consumers identify plans in advance of the end of a contract, and carriers will be required to provide a self-service option to easily switch between or end plans.
- **Airline Fees:** Will work with the Canadian Transportation Agency and airlines to ensure optional service fees charged by airlines are clearly laid out.
- **Junk Fees:** Will work with PTs to identify and target junk fees charged in Canada.
- **Concert and Sport Ticket:** Will work with PTs to adopt best practice requirements for ticket sales (e.g., ticket sale transparency, protection against excess fees, cracking down on fraudulent resellers, etc.)
- **Right to Repair:** Will launch consultations to develop a right to repair framework and is calling on PTs to amend their contract laws to support a right to repair and interoperability.
- **Banking Fees:**
    - **Non Sufficient Funds (NSF) Fees:** Intention to cap the non-sufficient funds (NSF) fees charged by banks to $10 per instance as well as other measures to avoid NSF fees.
    - **Free and Affordable Bank Accounts:** Federal government is currently in negotiations with banks to secure enhanced agreements to offer $0 per month and up to $4 per month bank accounts and to expand eligibility for these accounts.
- **Free Financial Advice:** $60 million over five years to Prosper Canada to expand the community-delivered financial help services available to Canadians.
- **Predatory Lending:** Will amend the Criminal Code to enhance enforcement of the criminal rate of interest. Will also work with PTs to harmonize and enhance consumer protections across Canada.

Economic Growth

Artificial Intelligent (AI): increase in targeted AI support of $2.4 billion.

- **AI Compute Access Fund and Canadian AI Sovereign Compute Strategy:** $2 billion over five years to help Canadian researchers, start-ups and scale-up businesses access the computational power they need.
- **AI Start-Ups:** $200 million over five years to boost AI start-ups.
- **National Research Council's AI Assist Program:** $100 million to help small and medium sized business build and deploy new AI solutions.
- **Workers Impacted by AI:** $50 million over four years to support workers who may be impacted by AI, which will provide new skills training for workers in disrupted sectors.
- **Safe Development of AI:** $50 million to ensure the safe development and deployment of AI, which will help Canada better understand and protect against the risks.
- **Incentivizing Innovation and Productivity:** Businesses can immediately write off the full cost of investments in patents, data network infrastructure equipment, computers and other data processing equipment.

Enhancing Research and Development Support

- $600 million for future enhancements to the Scientific Research and Experimental Development program.
- $1.8 billion to increase core research grant funding (e.g. SSHRC, NSERC, CIHR).
- Investments to support specific major research and science infrastructure investments (e.g. TRIUMF, CANARIE, Canadian Light Source in Saskatoon, etc.), none of which are in Newfoundland and Labrador.
- $825 million to increase the annual value of master's and doctoral student scholarships to $27,000 and $40,000, respectively.
- $30 million to support Indigenous participation in research.
- $8.6 million to advance space research and exploration.
- $14.6 million to ensure that small and medium sized clean tech businesses benefit from specialized intellectual property support to grow their businesses and leverage intellectual property.

Net-Zero Economy Investment

- **EV Supply Chain Investment Tax Credit (new):** a new 10% EV Supply Chain investment tax credit.
- **Clean Electricity Investment Tax Credit:** design and implementation details of the Budget 2023 announcement are described.
- **Carbon Contracts for Difference (CCFD):** The Canada Growth Fund is developing an expanded range of CCFD offerings tailored to different markets and their unique risks and opportunities.
- **Biofuels Industry:** $500 million to support biofuels production in Canada. More details to be announced.
- **Clean Fuels Fund:** Will retool this fund to deliver funding faster, and to extend the fund for an additional four years.
- **Canada Infrastructure Bank:** Will invest at least $500 million in biofuels production under its green infrastructure investment stream.
- **Clean Growth Hub:** $6.1 million to support clean technology stakeholders to identify and access relevant support and advice through the Clean Growth Hub.

Growing Businesses to Create More Jobs

- **Carbon Rebate for Small Businesses (new):** a new refundable tax credit to urgently return fuel charge proceeds to an estimated 600,000 businesses – see Tax Policy note.
- **Unlocking New Opportunity through Financial Crown Corporations:** Changes announced to increase the focus on output-based metrics such as economic growth and to ensure that financial Crown corporations follow best practices. Also, guidance on specific areas for these Crown corporations to focus on to mobilize more financing and take on greater risk to support businesses.
- **Venture Capital Access:** $200 million to increase access for equity-deserving entrepreneurs.
- **Encouraging Pension Funds to Invest in Canada:** Will work with pension plans to explore how to catalyze greater domestic investment opportunities for Canada pension funds. Also, amendments to the **Pension Benefits Standards Act** to publicly release information related to the plan investments of large federally regulated pension plans.
- **Boosting Regional Economic Development:** $158.5 million over two years for the Regional Economic Growth through Innovation program.

A Strong Workforce

- **Futurepreneur Canada:** $60 million to empower young entrepreneurs.
- **Right to Disconnect:** To restore work-life balance for workers in federally regulated industries, $4.2 million to implement Canada Labour Code amendments that require employers to establish a right to disconnect policy limiting work-regulated communication outside of scheduled working hours.
- **Seasonal Workers:** extend the temporary rules introduced in 2018 to provide up to five additional weeks to eligible seasonal workers (e.g., fishing and tourism sectors) in 13 economic regions. This was set to expire in October 2024 and has been extended until October 2026.

Safer, Healthier Communities

Safe Environment

- **Extreme Weather Early Warning System:** $6.9 million over five years for an early warning system for extreme weather events.
- **Affordable Electric Vehicles:** $607.9 million over two years to top-up the Incentives for Zero-Emission Vehicles program.
- **Parks**: $156.7 million over five years for capital investments in Canada's national parks, national marine conservation areas, and historic sites.
- **Harmful Chemicals**: $190.9 million over five years to reduce exposure to harmful chemicals through its Chemicals Management Plan.

Inclusive Communities

- **Combatting Hate**: $273.6 million over six years to support community outreach and law enforcement reform.
- **Addressing the Rise in Antisemitism and Islamophobia**: $7.3 million over six years to protect Jewish communities and $7.3 million over six years to protect Muslim communities.
- **Security Infrastructure Program enhancements**: $32 million over six years.
- **Preserving Holocaust Remembrance**: New National Holocaust Remembrance Program proposed and announcement to review and renew Canada's National Holocaust Monument.
- **Supporting the Mental Health of Black Canadians**: $4 million over two years to increase health equity and address mental health and its determinants for Black Canadians.
- **CBC/Radio-Canada**: $42 million in 2024-25 to support public television and radio programming.
- **Public Interest Programming Services**: $15 million over two years to support public interest programming services.
- **Canada's National Athletes**: Increase the funding allowance for supported athletes and support additional athletes in new Olympic Paralympic sport disciplines. Also $16 million over two years to create safer environments for athletes.
- **Community Sports**: $15 million over two years to help support the costs of community sport programming.
- **Festivals and Performing Arts**: $31 million over two years to help support organizations that professionally present arts festivals or performing arts series.
- **Canadian Book Industry**: $10 million over three years in increased supports proposed for Canadian authors and book publishers.
- **Criminal Justice Legal Aid**: $440 million over five years proposed to support access to legal aid in the criminal justice system.
- **Immigration and Refugee Legal Aid**: $273.7 million over five years proposed for immigration and refugee legal aid services.

- **Official Language Rights**: $26 million over five years proposed to support the implementation of An Act for the Substantive Equality of Canada's Official Languages. $9.6 million over three years also proposed to deliver translated decisions by federal courts.

Safer Communities
- **Auto Theft**: will amend the Criminal Code to provide additional tools for law enforcement and prosecutors to address auto theft.
- **Doubling Volunteer Firefighter and Search and Rescue Tax Credits**: see Tax Policy note.
- **Firefighting Training**: $800,000 to train 1,000 wildland firefighters.
- **Assault Weapons**: $30.4 million over two years for the buyback of assault-style firearms and $7.4 million over five years to modernize the Canadian Firearms Program's telephone and case management systems.
- **Protecting Children from Online Harm**: $52 million over five years proposed to ensure online platforms are safe places and also $2.5 million in 2024-25 proposed for preventing and responding to online child sexual exploitation.
- **Kids Help Phone**: $7.5 million over three years proposed to support Kids Help Phone in their support to young people.
- **Future of Sport in Canada Commission**: $10.6 million over two years proposed for a review of the Canadian sport system.
- **Addressing the Overdose Crisis in Municipalities and Indigenous Communities**: $150 million over three years proposed to help provide rapid responses to the opioid crisis.
- **Combatting Workplace Sexual Harassment**: $30.6 million over three years proposed to continue funding legal advisory and education services for victims of workplace sexual harassment.
- **More Judges for Faster Justice**: proposes to reallocate $50.2 million over five years, and $10.9 million ongoing, to redistribute 17 judicial positions to provincial superior courts currently experiencing capacity issues.

Infrastructure for Growing Communities
- **Community Centres**: $500 million over five years proposed to support more projects through the Green and Inclusive Community Buildings program.
- **Passenger Rail**: $63.1 million over three years to renew the Remote Passenger Rail Program, which supports Indigenous-owned rail operators providing services to communities in Manitoba, Quebec and Labrador.
- **Small Craft Harbours**: $463.3 million over three years, starting in 2024-25 to repair and maintain small craft harbours that are in need of repairs.
- **Transportation in Atlantic Canada**:
    - $124.1 million over five years with $32.9 million in remaining amortization, to Marine Atlantic Inc. to support its continued operations and keep fares affordable.
    - $2.5 million over two years to freeze fares under the Ferry Services Contribution Program until December 2025.

Indigenous Peoples

Indigenous Youth
- **Indigenous Youth Roots:** $12.5 million to support the organization to identify and partner with Indigenous-led organizations.
- **First Nation K-12 Education:** $649.4 million to improve elementary and secondary education on reserves and $545.1 million for K-12 infrastructure.

- **Children Supports:** \$1.8 billion to support communities in exercising jurisdiction under An Act respecting First Nations, Inuit and Metis, children, youth and families. A further \$167.5 million to ensure Inuit children can access the health, social and educational services they need.
- **First Nation Post-Secondary Education:** \$242.7 million to increase access through the Post Secondary Student Support Program.
- **Indigenous Cultures:**
  - \$225 million over five years to Canadian Heritage for Indigenous languages and cultures program.
  - \$65 million over five years to permanently support the Indigenous Screen Office and ensure Indigenous Peoples can tell their own stories and see themselves reflected on screen.
  - **Friendship Centres:** \$60 million over two years to support Friendship Centres which provide supports and services to members of their communities.
- **Research:** \$30 million over three years, starting in 2024-25, to support Indigenous participation in research, with \$10 million each for First Nation, Métis, and Inuit partners;
- **Indigenous Self-Determination:**
  - **Negotiations:** \$96.4 million over two years to Crown-Indigenous Relations and Northern Affairs Canada to ensure that Indigenous communities can fully participate in the negotiation process.
  - **Governance:** \$275 million over two years to maintain Indigenous Governance and Capacity programs and support governance capacity development. Further, \$12.7 million over two years to continue implementing and advancing the New Fiscal Relationship with First Nations communities.
  - **Fuel, Alcohol, Cannabis, Tobacco and Vaping (FACT) Sales Tax Framework:** see Tax Policy note.
  - **Residential Schools:** \$91 million over two years to increase the support provided to communities to document, locate, and memorialize burial sites at former residential schools. In addition, \$5 million over three years to establish a program to combat Residential School denialism.
- **Economic Reconciliation**
  - **Indigenous Loan Guarantee Program:**
    - \$5 billion in loan guarantees to unlock access to capital for Indigenous communities, creating economic opportunities and supporting their economic development priorities.
    - \$16.5 million over two years to provide capacity building supports to assist eligible Indigenous communities in making applications for loans.
  - **Indigenous Tourism Industry:** \$2.5 million in 2024-25 through the Indigenous Tourism Association of Canada.
  - **Indigenous Financial Institutions:** \$350 million over five years to renew Canada's commitment to Indigenous Financial Institutions.
  - **Strategic Partnerships Initiatives' Clean Energy Program:** \$36 million over three years to promote Indigenous participation in clean growth opportunities.

    - **Fuel Charge:** The share of fuel charge proceeds allocated to Indigenous governments will double to two per cent of direct proceeds beginning this year.
    - **Indigenous-led training:** $99.4 million per year through the co-developed Indigenous Skills and Employment Training Program to help Indigenous people improve their skills and find employment.
- **Related to Major Projects**
    - To advance the principle of "one project, one review", engage Northern Premiers, Indigenous communities, industry, and other partners to discuss transformative changes to their unique project review frameworks, to ensure the North is also prepared to assess and build clean growth projects.
    - To improve engagement and partnerships, including with Indigenous partners, the federal government will advance Indigenous participation in major projects, through the Indigenous Loan Guarantee Program, establish a Crown Consultation Coordinator to ensure efficient and meaningful Crown consultation with Indigenous peoples on the issuance of federal regulatory permits to projects that do not undergo federal impact assessments, and Improve Indigenous capacity for consultation by advancing the co-development and implementation of consultation protocol agreements and resource centres.
- **Healthy Indigenous Communities**
    - **Housing:** $918 million over five years to accelerate work in narrowing First Nations, Inuit and Metis housing and infrastructure gaps.
    - **On-Reserve Income Assistance:**
        - $596.2 million over five years and $119.2 million per year ongoing to provide income support on reserve and expand programming to meet demand.
        - $117.6 million over three years for case management and pre-employment supports.
        - $213.5 million over five years and $49.8 million per year ongoing to implement income supports for eligible persons with disabilities.
    - **Non-Insured Health Benefits Program:** $562.5 million in 2024-25 to support medically necessary services.
    - **Mental Health Supports:** $630.2 million over two years to support Indigenous people's access to mental health services.
    - **Northern Food Security:**
        - **Nutrition North Canada:** $23.2 million in 2024-25 to this subsidy program to lower the cost of nutritious food and other essential household items.
        - **Harvesters Support Grant and Community Food Program Fund:** $101.1 million over three years to support and promote Indigenous communities in implementing culturally appropriate, local solutions to address food insecurity.
        - **Canadian Shellfish Sanitation Program:** $25.1 million over two years to assist Indigenous communities to safely access shellfish harvest for food, as well as social and ceremonial purposes.
- **Justice:** $87 million over five years to advance the Indigenous Justice Strategy.

Safe Communities

- **Climate Resiliency:** $145.2 million over five years to develop greater climate resiliency and deploy structural mitigation strategies that protect communities, homes and infrastructure from climate disasters.
- **Fire Protection:** $20.9 million over three years to distribute fire alarms and fire extinguishers to homes and community facilities on-reserve, as well as fire-related education programs.
  - $1.3 million over three years to develop a regional Red Dress Alert system.

Defence

- **Defence Capabilities:** $8.1 billion in investments over five years, and $73.0 billion over 20 years to the Department of National Defence (DND), the Communications Security Establishment (CSE), and Global Affairs Canada (GAC) to ensure Canada is ready to respond to global threats and to protect the well-being of Canadian Armed Forces members. This includes:
  - $549.4 million over four years, starting in 2025-26, with $267.8 billion in future years, for DND to replace Canada's worldwide satellite communications equipment; for new tactical helicopters, long-range missile capabilities for the Army, and airborne early warning aircraft; and for other investments to defend Canada's sovereignty;
  - $1.9 billion over five years, starting in 2024-25, with $8.2 billion in future years, for DND to extend the useful life of the Halifax-class frigates and extend the service contract of the auxiliary oiler replenishment vessel, while Canada awaits delivery of next generation naval vessels;
  - $1.4 billion over five years, starting in 2024-25, with $8.2 billion in future years, for DND to replenish its supplies of military equipment;
  - $1.8 billion over five years, starting in 2024-25, with $7.7 billion in future years, for DND to build a strategic reserve of ammunition and scale up the production of made-in-Canada artillery ammunition. Private sector beneficiaries are expected to contribute to infrastructure and retooling costs;
  - $941.9 million over four years, starting in 2025-26, with $16.2 billion in future years, for DND to ensure that military infrastructure can support modern equipment and operations;
  - $917.4 million over five years, starting in 2024-25, with $10.9 billion in future years and $145.8 million per year ongoing, for CSE and GAC to enhance their intelligence and cyber operations programs to protect Canada's economic security and respond to evolving national security threats;
  - $281.3 million over five years, starting in 2024-25, with $216 million in future years, for DND for a new electronic health record platform for military health care;
  - $6.9 million over four years, starting in 2025-26, with $1.4 billion in future years, for DND to build up to 1,400 new homes and renovate an additional 2,500 existing units for Armed Forces personnel on bases across Canada (see Chapter 1);
  - $100 million over five years, starting in 2024-25, to DND for child care services for Canadian Armed Forces personnel and their families (see Chapter 2);
  - $149.9 million over four years, starting in 2025-26, with $1.8 billion in future years, for DND to increase the number of civilian specialists in priority areas; and,
  - $52.5 million over five years, starting in 2024-25, with $54.8 million in future years, to DND to support start-up firms developing dual-use technologies critical to our defence via the NATO Innovation Fund.
- **Critical Procurement:** $1.2 billion over 20 years to support the ongoing procurement of critical capabilities, military equipment and infrastructure.
- **Future Aircrew Training:** $66.5 million over five years for the Future Aircrew Training program to develop the next generation of Royal Canadian Air Force personnel.

- **Canadian Security Intelligence Service (CSIS):** $114.7 million to enhance CSIS Intelligence Capabilities.
- **Ukraine Supports:**
  - $2.4 billion in loans for 2024 through the International Monetary Fund Administered Account for Ukraine.
  - $1.6 billion over five years proposed in defense supports for the provision of lethal and non-lethal military aid to Ukraine.
  - $216.7 million (€137.2 million) over five years proposed for Ukraine's reconstruction.
  - intention to advance engagement with international partners to identify additional avenues to hold Russia accountable for its invasion.
- **Protecting Canadians from Financial Crimes**: intention to introduce legislative amendments to combat evolving financial crimes threats. $1.7 million over two years proposed to finalize the design and legal framework for the Canada Financial Crimes Agency (CFCA).
- **Veterans' Supports**:
  - Additional $6 million over three years proposed to deliver services to veterans and their families.
  - $9.3 million over five years proposed to provide up to two years of telemedicine services to recent veterans and their families.
  - Additional funding proposed to honour the contributions and sacrifices of Canadian veterans.
- **Economic Security for Canada and Our Allies**
  - **Protecting Canadian Businesses from Unfair Foreign Competition**: $10.5 million over three years proposed to protect Canadian workers and businesses from unfair trade practices.
- **Upholding Canadian Values Around the World**
  - **International Humanitarian Assistance**: an additional $350 million over two years proposed to respond to large-scale and deteriorating humanitarian crises around the world.
  - **Global Affairs Canada Transformation**: $159.1 million over five years proposed for a multi-year organizational transformation.
- **Defence Policy**
  - Commits Canada to undertake a Defence Policy Review every four years, as part of a cohesive review of the National Security Strategy; and,
  - To undertake a review of Canada's defence procurement system.

Trade Policy and Labour Mobility

- **National Regulatory Alignment**
  - The federal government is implementing elements of its 2022 Federal Action Plan to Strengthen Internal Trade.
    - They have removed or streamlined one third of all federal exceptions in the Canadian Free Trade Agreement (CFTA), including the removal of 14 procurement exceptions.
    - On April 3, the Canadian Internal Trade Data and Information Hub was launched which will provide timely and free information on internal trade.
- The federal government also plans to launch the first-ever Canadian Survey on Interprovincial Trade in June 2024, to engage thousands of Canadians businesses on the challenges they face when buying, selling, and investing across provincial and territorial borders. The survey's insights will help identify top interprovincial barriers so that they can be eliminated.
- **Economic Security for Canada and Our Allies**

  - $10.5 million over three years proposed to protect Canadian workers and businesses from unfair trade practices.
- **Protecting Critical Supply Chains**
  - Budget 2024 reaffirms the federal government's commitment to introduce legislation to eradicate forced labour from Canadian supply chains and to strengthen import bans on goods produced from forced labour.

Tax Measures

Business Income Tax Measures

- **Clean Electricity Investment Tax Credit Implementation Details**
  - The credit would be available to provincial and territorial Crown corporations only for investments made in eligible property situated in designated jurisdictions.
  - The federal Minister of Finance would designate a province or a territory, provided that the Minister was satisfied that the provincial or territorial government has publicly committed to 1) Work towards a net-zero electricity grid by 2035; and 2) Provincial and territorial Crown corporations passing through the value of the Clean Electricity investment tax credit to electricity ratepayers in their province or territory to reduce ratepayers' bills.
- **A New EV Supply Chain Investment Tax Credit**
  - Budget 2024 announces the government's intention to introduce a new 10% Electric Vehicle Supply Chain investment tax credit on the cost of buildings used in key segments of the electric vehicle supply chain, for businesses that invest in Canada across three supply chain segments:
    - Electric vehicle assembly;
    - Electric vehicle battery production; and
    - Cathode active material production.
- **Polymetallic Extraction and Processing (Technical Adjustments)** to provide greater support and clarity to businesses engaged in projects engaged in the production of multiple metals (i.e. both qualifying and non-qualifying materials).
  - Qualifying materials are copper, nickel, cobalt, lithium, graphite, and rare earth elements.
  - Adjustments include:
    - use of value of qualifying materials only in determining eligibility;
    - a "primarily" test requiring that eligible property must be used or be expected to be used for activities in which 50 per cent or more of the financial value of the output comes from qualifying materials; and
    - a recapture and safe harbour rule to mitigate against the effects of mineral price volatility on the potential recapture of the tax credit.
- **Accelerated Capital Cost Allowance**
  - **Purpose-Built Rental Housing** by proposing to provide an accelerated CCA of ten per cent for new eligible purpose-built rental projects that begin construction on or after Budget Day and before January 1, 2031, and are available for use before January 1, 2036.
  - **Productivity-Enhancing Assets** by proposing to provide immediate expensing for new additions of property in respect of these three classes, if the property is acquired on or after Budget Day and becomes available for use before January 1, 2027. The enhanced allowance would provide a 100-per-cent first-year deduction and would be available only for the year in which the property becomes available for use.

- **Canada Carbon Rebate for Small Businesses** by proposing to return a portion of fuel charge proceeds from a province via the new Canada Carbon Rebate for Small Businesses, an automatic, refundable tax credit directly for eligible businesses, sized in proportion to the number of persons they employ in the province.
  - For the 2019-20 to 2023-24 fuel charge years, the tax credit would be available to a Canadian-controlled private corporation that files a tax return for its 2023 taxation year by July 15, 2024.
  - To be eligible for a credit in respect of an applicable fuel charge year, the corporation would need to have had no more than 499 employees throughout Canada in the calendar year in which the fuel charge year begins.
  - The tax credit amount in respect of an eligible corporation for an applicable fuel charge year would be determined for each applicable province in which the eligible corporation had employees in the calendar year in which the fuel charge year begins.
  - The tax credit amount would be equal to the number of persons employed by the eligible corporation in the province in that calendar year multiplied by a payment rate specified by the Minister of Finance for the province for the corresponding fuel charge year.
  - The Minister of Finance will specify payment rates for the 2019-20 to 2023-24 fuel charge years once sufficient information is available from the 2023 taxation year.

Sales and Excise Tax Measures

- **Extending GST Relief to Student Residences** to ensure that universities, public colleges, and school authorities can claim the Enhanced (100-per-cent) GST Rental Rebate, Budget 2024 proposes to modify the **Excise Tax Act** to allow them to apply the normal GST/HST rules that apply to other builders (i.e., paying GST/HST on the final value of the building) in respect of new student housing projects.
  - Additionally, Budget 2024 proposes to amend the **Excise Tax Act** and its regulations to relax the rebate conditions for new student housing provided by universities, public colleges, and school authorities that operate on a not-for-profit basis. These are generally educational institutions that would currently qualify for the Public Service Body (PSB) rebates under the GST/HST.
  - Finance Canada could not answer the question of whether or not the measure would automatically apply to the provincial version of the credit. Follow-up will be required.
- **GST/HST on Face Masks and Face Shields** Budget 2024 proposes to amend the Excise Tax Act to repeal the temporary zerorating of certain face masks or respirators and certain face shields under the GST/HST. This measure would apply to supplies made on or after May 1, 2024.
- **Excise Duty on Tobacco** Budget 2024 announces an increase the tobacco excise duty rate by $4 per carton of 200 cigarettes (i.e., for a total of $5.49 including the automatic inflationary adjustment of $1.49 per carton of 200 cigarettes that took effect on April 1, 2024), along with corresponding increases to the excise duty rates for tobacco sticks, cigars and manufactured tobacco.This measure would come into force on the day after Budget Day.
- **Excise Duty on Vaping Products** Budget 2024 announces an increase in the vaping product excise duty rate from $1 per 2 ml to $1.12 per 2 ml. A equivalent increase in the provincial component will be made in provinces that are a part of the coordinated vaping product tax framework. Newfoundland and Labrador levies its own vape tax outside the coordinated framework.

- **Fuel, Alcohol, Cannabis, and Tobacco Sales Tax Framework** Budget 2024 proposes to amend the **First Nations Goods and Services Tax Act** to provide additional flexibility to Indigenous governments seeking to exercise tax jurisdiction on their lands. Specifically, the amendments would enable Indigenous governments to enact a value-added sales tax, under their own laws, on fuel, alcohol, cannabis, tobacco, and vaping (FACT) products within their reserves or settlement lands. The FACT sales tax would be analogous to the FNGST, including applying at the same five per cent GST rate, but would be limited to fuel, alcohol, cannabis, tobacco, and vaping products.

Personal Income Tax Measures

- **Capital Gains Inclusion Rate** to increase the capital gains inclusion rate from ½ to ⅔ for corporations and trusts, and from ½ to ⅔ on the portion of capital gains realized in the year that exceed $250,000 for individuals, for capital gains realized on or after June 25, 2024.
- **Volunteer Firefighters and Search and Rescue Volunteers Tax Credits** to double the credit amount for the Volunteer Firefighters Tax Credit and the Search and Rescue Volunteers Tax Credit to $6,000.
- **Lifetime Capital Gains Exemption (LCGE)** to increase the LCGE to apply to up to $1.25 million of eligible capital gains.
- **Canadian Entrepreneur's Incentive** This incentive would reduce the tax rate on capital gains on the disposition of qualifying shares by an eligible individual.
- **Home Buyers' Plan** to increase the withdrawal limit from $35,000 to $60,000.
- **Other Personal Income Tax Measures**
    - **Alternative Minimum Tax for High-Income Individuals** Budget 2024 proposes to make further changes to the AMT proposals announced in Budget 2023.
    - **Canada Child Benefit (CCB)** extend eligibility for the CCB in respect of a child for six months after the child's death (the "extended period"), if the individual would have otherwise been eligible for the CCB in respect of that particular child.
    - **Disability Supports Deduction** expand the list of expenses recognized under the Disability Supports Deduction, subject to the specified conditions. Further details can be provided if necessary.
    - **Mineral Exploration Tax Credit** extend eligibility for the Mineral Exploration Tax Credit for one year, to flow-through share agreements entered into on or before March 31, 2025.
    - **Employee Ownership Trusts** provides further details on the proposed exemption and conditions. The details are technical in nature.
    - **Charities and Qualified Donees** improve the operation of the rules related to registered charities and other qualified donees
    - **Indigenous Child and Family Services Settlement** to exclude the income of the trusts established under the First Nations Child and Family Services, Jordan's Principle, and Trout Class Settlement Agreement from taxation.
    - **Qualified Investments for Registered Plan** provide suggestions on how the qualified investment rules could be modernized on a prospective basis to improve the clarity and coherence of the registered plans regime.
    - **Deduction for Tradespeople's Travel Expenses** Budget 2024 announces that the government will consider bringing forward amendments to provide for a single, harmonized deduction for tradespeople's travel that respects the intent of Bill C-241.
    - **Taxing Vacant Lands to Incentivize Construction** the government will consider introducing a new tax on residentially zoned vacant land. The government will launch consultations later this year.

Annex B
Key Economic and Fiscal Indicators

Summary Statement of Transactions

billions of dollars

	2022–2023	2023–2024	2024–2025	2025–2026	2026–2027	2027–2028	2028–2029
		Projection					
Budgetary revenues	447.8	465.1	497.8	514.6	535.7	561.4	586.3
Program expenses, excluding net actuarial losses	438.6	450.3	480.5	496.3	509.6	526.3	544.4
Public debt charges	35.0	47.2	54.1	54.9	57.0	60.9	64.3
Total expenses, excluding net actuarial losses	473.5	497.5	534.6	551.1	566.6	587.2	608.7
Budgetary balance before net actuarial losses	-25.7	-32.5	-36.8	-36.5	-30.8	-25.8	-22.4
Net actuarial losses	-9.6	-7.6	-3.1	-2.4	0.1	-1.0	2.4
Budget 2024 budgetary balance	-35.3	-40.0	-39.8	-38.9	-30.8	-26.8	-20.0
Financial Position							
Total liabilities	1,925.0	2,004.5	2,091.3	2,200.0	2,298.0	2,400.1	2,491.4
Financial assets	642.3	676.6	719.1	783.9	844.8	915.0	978.5
Net debt	1,282.8	1,327.8	1,372.2	1,416.1	1,453.2	1,485.1	1,513.0
Non-financial assets	109.7	112.4	116.9	121.9	128.3	133.4	141.3
Federal debt[1]	1,173.0	1,215.5	1,255.3	1,294.1	1,324.9	1,351.7	1,371.7
Per cent of GDP							
Budgetary revenues	15.9	16.1	16.6	16.5	16.5	16.6	16.7
Program expenses, excluding net actuarial losses	15.6	15.6	16.0	15.9	15.7	15.6	15.5
Public debt charges	1.2	1.6	1.8	1.8	1.8	1.8	1.8
Budgetary balance	-1.3	-1.4	-1.3	-1.2	-0.9	-0.8	-0.6
Federal debt	41.7	42.1	41.9	41.5	40.8	40.0	39.0

[1] The projected level of federal debt for 2023-24 includes an estimate of other comprehensive losses of $1.1 billion for enterprise Crown corporations and other government business enterprises, and an estimate of $1.3 billion for net remeasurement losses on swap agreements, foreign exchange forward agreements, and other financial instruments.

[2] Numbers may not add due to rounding.

Department of Finance Economic Scenarios

Per cent, unless otherwise indicated

	2024	2025	2026	2027	2028	2024-2028
Real GDP growth						
Budget 2024	0.7	1.9	2.2	2.1	2.0	1.8
Downside Scenario	-0.1	1.2	2.8	2.6	2.1	1.7
Upside Scenario	1.4	2.2	2.1	1.9	1.9	1.9
GDP inflation						
Budget 2024	3.0	1.9	2.0	2.0	2.0	2.2
Downside Scenario	2.6	1.8	2.5	2.2	2.1	2.2
Upside Scenario	3.4	2.0	1.9	2.0	1.9	2.2
Nominal GDP growth						
Budget 2024	3.8	3.9	4.2	4.2	4.0	4.0
Downside Scenario	2.4	3.0	5.3	4.9	4.3	4.0
Upside Scenario	4.8	4.3	4.1	3.9	3.9	4.2
Nominal GDP level (billions of dollars)						
Budget 2024	2,998	3,115	3,246	3,382	3,518	
Downside Scenario	2,959	3,047	3,209	3,366	3,510	
Upside Scenario	3,027	3,157	3,286	3,414	3,547	
Difference between Budget 2024 and Downside Scenario	-39	-68	-37	-16	-8	-34
Difference between Budget 2024 and Upside Scenario	29	42	40	32	28	34
3-month treasury bill rate						
Budget 2024	4.5	3.1	2.7	2.7	2.7	3.1
Downside Scenario	5.0	4.2	3.1	2.8	2.7	3.6
Upside Scenario	4.3	2.9	2.7	2.7	2.7	3.1
Unemployment rate						
Budget 2024	6.3	6.3	6.0	5.8	5.7	6.0
Downside Scenario	6.5	6.9	6.4	6.0	5.9	6.3
Upside Scenario	6.1	5.9	5.7	5.6	5.5	5.8
Consumer Price Index inflation						
Budget 2024	2.5	2.1	2.1	2.0	2.0	2.1
Downside Scenario	3.0	2.6	2.1	2.0	2.0	2.4
Upside Scenario	2.4	1.9	2.0	2.0	2.0	2.1
West Texas Intermediate crude oil price ($US per barrel)						
Budget 2024	78	78	78	78	78	78
Downside Scenario	71	66	72	75	77	72
Upside Scenario	83	87	87	85	84	85

Note: Forecast averages may not equal average of years due to rounding. Numbers may not add due to rounding.

Sources: Statistics Canada; Department of Finance Canada March 2024 survey of private sector economists; Department of Finance Canada calculations.