



PROVINCIAL GOVERNMENT DELIVERS LARGEST
EDUCATION PROPERTY TAX CUT IN HISTORY

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Saskatchewan property owners will pay significantly less education property tax this year and in the future as a result of changes to Pre-kindergarten to Grade 12 education funding announced in today's provincial budget.

The vast majority of Saskatchewan property owners will pay less education tax under the new system. For example, a Regina homeowner with a 2008 taxable assessment of \$200,000 will pay \$306 less in education tax in 2009 and another \$151 less in 2010 - a total tax cut of \$457 or 15.4 per cent.

A Canora homeowner with a 2008 taxable assessment of \$79,800 will pay \$739 less in education tax in 2009 and another \$46 less in 2010 - a total tax cut of \$785 or 50.9 per cent.

A farmer with 10 quarters of land in the RM of Winslow assessed at \$298,100 last year will pay \$1,039 less in education tax in 2009 and another \$1,058 less in 2010 - a total tax cut of \$2,097 or 61.6 per cent.

Under the new system, the province will cut and cap education property tax rates (mill rates) by setting province-wide tax rates for each of the three major property classes - residential, commercial and agricultural. The overall amount of tax paid by property owners to fund education will be reduced by \$103 million, or 14 per cent, in 2009 compared to last year. This represents the largest education property tax cut in a single year in the province's history.

In turn, the provincial government will increase its share of funding to school divisions by \$241 million this year. As a result, the province will fund about 63 per cent of the operating costs for Pre-kindergarten to Grade 12 education, up from last year's provincial funding of 51 per cent.

Education Minister Ken Krawetz said the education property tax will be reduced by a further \$53 million next year, with the province assuming an offsetting share of the funding. At that point, the provincial government will be funding about 66 per cent of the cost of education.

"For too long, property taxpayers have paid a disproportionate amount of the cost of education in this province," Krawetz said. "Today, we are striking the proper balance."

Krawetz said the new system is a result of extensive consultations by and recommendations from Legislative Secretary Jim Reiter, who was appointed by Premier Brad Wall to review options for education funding and long-term property tax relief.

"Today, thanks to Mr. Reiter's efforts and the input of Saskatchewan people, we are fulfilling Premier Wall's campaign promise to achieve a fairer balance of education funding, to ensure the education

system is properly funded, and to significantly reduce the education portion of property taxes," Krawetz said.

Krawetz said once the education tax reduction is fully implemented in 2010, it will exceed the commitment made by his government during the 2007 election campaign.

"Most importantly, we are continuing to make life more affordable for Saskatchewan people," Krawetz said. "This, on top of the significant income tax reductions we have already provided, is an important step toward keeping Saskatchewan's economy strong and steady."

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