

Economic Development

Planning and delivering a stronger economy

A wide range of factors go into supporting a growing economy: fiscal stability, a competitive tax and regulatory environment, support for research and development, a strong integrated transportation network, a quality education system and quality of life. Improving the environment for economic growth in Nova Scotia will continue to be a top priority for the Province of Nova Scotia in 2005–2006.

Tax changes for 2005–2006

The province will introduce legislation in spring 2005 on behalf of the Union of Nova Scotia Municipalities to eliminate the Business Occupancy Assessment Tax. The business occupancy assessment tax is levied on businesses by municipalities, in addition to the commercial property tax.

The Large Corporations Tax will decrease from 0.3 per cent to 0.2 per cent over a four-year period starting July 1, 2005. This tax applies to 1,400 of Nova Scotia's largest corporations. The small business tax threshold increases to \$350,000 from \$300,000 effective April 1, 2005 and to \$400,000 in April 1, 2006.

The Film Tax Credit is extended 10 years to 2016. Effective January 1, 2005, the tax credit rate increases to 35 per cent for productions in HRM and 40 per cent for productions outside HRM. A frequent-filmer bonus of 5 per cent is available for third and subsequent productions in any two-year period.

The Office of Economic Development will invest \$45.3 million—up \$6.5 million from last year—in initiatives aimed at strengthening the Nova Scotia economy. Combining the new funding with planned reduced commitments in other areas will allow the department to address the following new spending this fiscal year.

Competitiveness and compliance

The province will continue its work on changing Nova Scotia's regulatory culture. This is part of a commitment to continuous improvement across government, a commitment that combines leadership to effect real change, the tools to improve the quality of our regulations and an ability to measure and report on our progress. Government will take a balanced approach that will safeguard and improve public protection while enhancing the competitiveness of the Nova Scotia economy.

A \$500,000 addition to the Department of Environment and Labour's budget will launch a comprehensive regulatory reform initiative that will focus on improving the quality of its regulations, the effectiveness of its compliance enforcement programs and its capacity to assess and address impacts of its regulatory activities on business.

Nova Scotia Research and Innovation Trust Fund

The Nova Scotia economy needs to draw on the capacity for research, development and innovation to improve productivity and competitiveness. Economic Development will invest \$5 million in the Nova Scotia Research and Innovation Trust Fund (NSRIT) to help deepen that capacity in the provincial economy. This new funding will help source significant funds from other partners. Since 2001 the province has provided more than \$25 million in provincial funding to help lever federal research funding to Nova Scotia-based projects.

Trade Strategy implementation

New spending on the government's trade strategy, Going Global Staying Local, will help nearly 900 small and medium-size exporters find international markets as well as the funding and training they need to succeed in those markets.

Brand Nova Scotia initiative

A \$2.5-million addition to the province's Brand Nova Scotia initiative will help spread the word about the province. This strategic alignment of business partnerships and marketing initiatives will tell the world about the Nova Scotia difference, attracting more investors, tourists, immigrants and expatriates—resulting in new business and new growth.

Regional development authorities

Economic Development will also increase core funding for the province's 14 regional development authorities (RDAs), to be matched by both federal and municipal governments. As fundamental building blocks for economic development, each RDA will receive an extra \$25,000 this fiscal year, for a combined total of \$350,000 in enhanced OED funding to RDAs.

Cape Breton and Nova Scotia Railway

Continued financial support for the Cape Breton and Nova Scotia Railway is another Economic Development measure designed to support the development of local economies in 2005–2006. The department has allocated an additional \$1.5 million for a total of \$2.0 million in fiscal 2005–2006 to support the CBNS Railway as required.

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Finance

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