

NOVA SCOTIA BUDGET BULLETIN

FOR THE FISCAL YEAR 2006-07



Household Energy Rebate

Nova Scotia consumers will get an 8 per cent rebate on a wide range of fuels used for residential heating, starting in January 2007. The rebate will also be applied to residential electricity used for non-heating purposes.

The Household Energy Rebate will provide relief from high energy prices to an estimated 400,000 households, regardless of family income. The average Nova Scotia household is expected to save around \$200 per year.

The rebate program will be applied to electricity, home heating fuel, propane, natural gas, wood, and other fuel sources used to heat homes.

The rebate is equivalent to the value of the provincial portion of the Harmonized Sales Tax. Removing this amount will bring Nova Scotia taxes on home heating energy in line with those of most other Canadian provinces, where GST only is charged on home heating fuel.

The program has an estimated cost to government of \$75 million annually at full implementation. The 2006-2007 budget sets aside \$32.1 million for the program, assuming a January 2007 start date.

How it works:

Government will first seek the assistance of the Canada Revenue Agency (CRA) to deliver this benefit to Nova Scotians via a point-of-sale rebate on the HST. If they agree, the rebate will come directly off the bill at the time of purchase, similar to the provincial rebate provided on books.

If CRA chooses not to participate, Nova Scotia will administer the home heating rebate through Service Nova Scotia and Municipal Relations. The 2006-2007 budget includes \$2 million for provincial implementation of the program if required.

Under a provincial administrative system, vendors of bulk home heating energy sources (electricity, home heating oil, propane, and natural gas) will apply a rebate at the point of sale. Consumers will see the 8 per cent reduction on their electricity or heating bills.

Non-bulk heating sources such as wood pellets, wood, coal, and kerosene will also qualify for the rebate. Consumers will send in receipts to apply for a rebate.

The Household Energy Rebate replaces the Keep the Heat program administered in recent years by Service Nova Scotia and Municipal Relations.

The rebate is paid to the person who receives the heating or electricity bill. In the case of rental accommodations, the amount may go to the landlord.

Measures to create the rebate program will be included in the 2006 Financial Measures Act.

Regulations will be developed to implement the legislation, following consultation with vendors and suppliers.

**Typical Annual Savings —
Heat and Basic Electricity**

1700 square foot home

Heating Source	Savings*
Oil	\$190 to \$245
Electric	\$140 to \$215
Gas	\$140 to \$165
Propane	\$240 to \$400
Wood	\$115 to \$130

* Estimated savings include both the heating source and general electricity.

Savings will vary with the efficiency of the furnace or other heating system.



The Honourable Michael G. Baker Q.C.
Minister of Finance