

MEDIA RELEASE



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FOR IMMEDIATE RELEASE
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Manitoba's Chartered Accountants wanted more from provincial budget

WINNIPEG – The Institute of Chartered Accountants of Manitoba (ICAM) wanted a realistic, disciplined plan to pay down the provincial debt and further tax reductions from today's budget.

"The government has not paid down the debt. They have proposed to pay \$110 million to the Debt Retirement Fund but the overall consolidated debt of the government will increase by more than \$500 million between this year and next," said Gary Hannaford, FCA, CEO of the Institute of Chartered Accountants of Manitoba.

"It reduces their ability to address expenditure issues in the future. If they're paying debt servicing fees, they can't pay for other programs," added Carol Stockwell, Chair of ICAM's Tax Committee and a tax practitioner with PricewaterhouseCoopers.

The Manitoba government plans to reduce the general corporate tax rate to 14.5 per cent by July 1, 2006 and 14 per cent by July 1, 2007.

"The government is doing the right thing in reducing corporate income tax rates, as we called for them to do in our budget submission, but we have been playing catch-up and it's 15 months before we see the first cut taking effect," said Hannaford.

ICAM was pleased with the improvements to the existing provincial tax credits. Effective immediately, the research and development investment tax credit has been increased from 15 to 20 per cent and the manufacturing investment tax credit has been extended to include to used building and used equipment purchases.

"These changes support manufacturing and innovation in Manitoba and will certainly help to improve competitiveness," Stockwell said.

The only change to personal tax rates was in the middle bracket, with a reduction from 14 to 13.5 per cent, effective January 1, 2006.

"Again, we see no impact from this reduction until 2006," said Hannaford. "We had hoped to see cuts to all personal tax rates, not just the middle bracket, and ones that would take effect this year."

The primary mission of the Institute of Chartered Accountants of Manitoba is to protect the public interest. It does so by ensuring that its members have the highest level of competence and integrity as a result of demanding standards for admission to the profession, its continuous learning policy and its inspection and discipline process.

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