



CANADA'S ECONOMIC ACTION PLAN

BUDGET 2009

Overview

JANUARY 27, 2009

Introduction

Budget 2009 provides a comprehensive plan to stimulate our economy, restore confidence, support Canadian families during the current global downturn and invest in the foundations of long-term economic growth.

This stimulus plan will enable Canada to emerge with a more modern and greener infrastructure, a more skilled labour force, lower taxes and a more competitive economy—when the global recession eases.

Budget 2009 will:

- Improve access to financing for consumers and businesses with support of up to \$200 billion.
- Reduce taxes for Canadians and businesses by more than \$20 billion over 2008–09 and the following five years.
- Undertake the most ambitious building project in Canada's history with almost \$12 billion in new infrastructure funding and \$7.8 billion to build and renovate housing.
- Protect Canadians now affected by the global economic slowdown with enhanced benefits and training opportunities.
- Create or maintain up to 190,000 jobs for Canadians by the end of 2010.
- Provide total stimulus equal to 1.9% of GDP this year.

Stimulus for Canada

Over the next two years, Canada's Economic Action Plan will:

- Provide almost \$40 billion in stimulus.
- Boost the gross domestic product by an estimated 1.9 per cent.
- Produce a net increase of 190,000 jobs.
- Provide tax relief to Canadians.
- Provide \$8.3 billion for skills and training.
- Reduce greenhouse gas emissions with clean energy and lower consumption.
- Strengthen Canada's capacity with new and renewed infrastructure.
- Fulfill our G20 commitment to support the global economy.

Creating Opportunity By Further Reducing Taxes

Budget 2009 proposes personal income tax relief. This includes:

- Increasing the basic personal amount that all Canadians can earn without paying federal income tax.
- Raising the upper limit of the two lowest personal income tax brackets by 7.5 per cent so that Canadians can earn more at lower tax rates.
- Increasing the amount that low- and middle-income families can earn before their federal child benefits are phased out.
- Investing \$580 million to effectively double the tax relief provided by the Working Income Tax Benefit.
- Providing tax savings of up to \$150 a year for seniors by increasing the Age Credit amount by \$1,000.

Action to Stimulate Housing Construction

Budget 2009 provides up to \$7.8 billion for housing construction and renovation. This includes:

- The temporary Home Renovation Tax Credit of up to \$1,350 for eligible home renovations and alterations.
- An increase to the Home Buyers' Plan withdrawal limit to \$25,000 from \$20,000 to help Canadians buy a first home.
- A new First-Time Home Buyers' Tax Credit that will provide up to \$750 in tax relief when purchasing a first home.
- \$300 million over two years to the ecoENERGY Retrofit program.
- \$1 billion over two years for renovation and energy retrofits to social housing.
- \$400 million over two years to build housing for low-income seniors.
- \$75 million over two years to build social housing for persons with disabilities.
- \$200 million over two years to support social housing in the North.
- \$2 billion over two years in low-cost loans to municipalities to improve housing-related infrastructure.

Immediate Action to Build Infrastructure

Budget 2009 invests almost \$12 billion to build a more modern and greener infrastructure. This includes:

- \$1 billion over five years for a green infrastructure fund.
- Up to \$500 million over the next two years to accelerate infrastructure projects in small communities.
- \$1 billion over two years to expedite new "ready-to-go" provincial, territorial and municipal projects.
- \$4 billion over two years to restore aging infrastructure.
- \$500 million over two years to Recreational Infrastructure Canada (RInC) to build and renew community recreational facilities.
- \$2 billion for repair, maintenance and construction of post-secondary institutions.
- \$750 million to the Canada Foundation for Innovation to support leading-edge research infrastructure.
- \$50 million to the Institute for Quantum Computing for a new research facility.

Action to Build a Greener Canada

Budget 2009 targets investments that improve Canada's environment. These include:

- \$1 billion for green infrastructure projects.
- \$1 billion over two years for renovation and energy retrofits to social housing.
- \$300 million over two years to the ecoENERGY Retrofit program.
- \$1 billion for clean energy research, development and demonstration projects.
- \$87 million over two years for key Arctic research facilities.
- \$245 million over two years for the cleanup of federal contaminated sites.
- \$10 million to improve government environmental reporting.

- \$250 million over two years for deferred maintenance at federal laboratories.
- \$500 million to Canada Health Infoway for electronic health records.
- \$225 million over three years to extend broadband coverage to unserved communities.
- \$407 million for improvements to VIA Rail service.
- \$72 million over five years to improve railway safety.
- \$130 million to Parks Canada for Trans-Canada Highway twinning.
- \$150 million for visitor improvements and upgrades to Parks Canada.
- \$212 million to renew the Champlain Bridge in Montréal.
- \$57 million for the renewal of other key federal bridges across Canada.
- \$80 million over three years to expand and modernize border service facilities.
- \$217 million for core commercial fishing harbours across Canada.
- \$323 million over two years to restore federal buildings.
- \$87 million over two years for key Arctic research facilities.
- \$20 million in each of two years to improve the accessibility of federally owned buildings for persons with disabilities.
- \$296 million to enhance air passenger security.
- \$1 billion for clean energy research, development and demonstration projects.
- \$110 million over three years for space robotics research and development.
- \$81 million over two years to accelerate the cleanup of federal contaminated sites.
- \$10 million to improve government environmental reporting.

