

### Estimated Federal Compensation for Provincial Retail Sales Tax Reductions

Province	Present provincial	Reduced provincial	Value of sales tax reduction
	retail sales tax rates	retail sales tax rates	
	(%)	(%)	(\$ millions)
Newfoundland . . . . .	11	8	24
Prince Edward Island . . . . .	8	5	5
Nova Scotia . . . . .	8	5	28
New Brunswick . . . . .	8	5	27
Quebec . . . . .	8	6 or 5*	340
Ontario . . . . .	7	5 or 4*	433
Manitoba . . . . .	5	3 or 2*	62
Saskatchewan . . . . .	5	3 or 2*	53
British Columbia . . . . .	7	5 or 4*	176
Total . . . . .			1,147

(\*) These provinces have the option of reducing their sales tax rates by 3 points for 6 months or 2 points for 9 months.

### Proposed Method of Financing Sales Tax Reductions

Province	Federal share			Provincial share	Total
	Tax abatement	Cash payment	Total		
	(\$ millions)				
Newfoundland . . . . .	15	9	24	—	24
Prince Edward Island . . . . .	3	2	5	—	5
Nova Scotia . . . . .	27	1	28	—	28
New Brunswick . . . . .	22	5	27	—	27
Quebec . . . . .	222	5	226	113	340
Ontario . . . . .	346	-57	289	144	433
Manitoba . . . . .	37	4	41	21	62
Saskatchewan . . . . .	28	7	35	18	53
British Columbia . . . . .	102	16	117	59	176
Total . . . . .	801	-8	793	354	1,147

Note: Totals may not add due to rounding.