

Finance

April 16, 2019

Provincial Government Eliminates the Tax on Automobile Insurance and Supports Consumers Through Budget 2019

Through Budget 2019, the Provincial Government is providing tax relief and reducing costs for residents across the province. Budget 2019 includes no tax or fee increases, and government is taking the additional step of eliminating the Retail Sales Tax (RST) on automobile insurance. This change will be implemented by early July and will be retroactive to April 16, 2019. Those who renew their insurance between now and July will receive a rebate for the RST payment on their insurance.

Government will amend the Income and Employment Support Regulations to exempt payments from child support, Canada Pension Plan Disabled Contributor's Benefit, and Canada Pension Plan Surviving Child Benefit for the purpose of determining eligibility for Income Support.

In partnership with Newfoundland and Labrador Hydro, government is introducing a one-year, \$1 million Heat Pump Rebate Program in 2019-20 to assist homeowners in increasing the energy efficiency of their homes. Through this pilot program, up to 1,000 Homeowners can receive a grant of \$1,000 toward the purchase and installation of an eligible heat pump.

The Newfoundland and Labrador Income Supplement and Seniors' Benefit support low income seniors, individuals, families, and persons with disabilities. In 2018, approximately 155,000 families received the Income Supplement and approximately 47,000 seniors and their families received the Seniors' Benefit. In 2019-20 government is continuing to provide these valuable programs with a total investment of \$123 million.

This year government is also reducing passenger vehicle licensing fees for senior citizens and military veterans. For seniors, the current fees will be reduced to \$99 for counter service and to \$89 for online service. For veterans the current licensing fees will be further reduced by 10 per cent for counter service and online registration.

Quote

“Our government is committed to supporting consumers and residents of the province by continuously evaluating our taxes to find the balance between our revenue needs and the affordability of living here. We have committed to reducing taxes as we are able, and the removal of the tax on automobile insurance will have a positive impact on the majority of people in Newfoundland and Labrador.”

Honourable Tom Osborne

Minister of Finance and President of Treasury Board

- 30 -

Learn More

Budget 2019 - gov.nl.ca/budget2019

Follow us on Twitter: [@GovNL](https://twitter.com/GovNL) and [@FIN_GovNL](https://twitter.com/FIN_GovNL)

Media contact

Marc Budgell

Finance

709-729-2477, 689-0430

marcbudgell@gov.nl.ca