

Background:

- On December 5th, the Manitoba government announced there is a projected \$1.6 billion deficit in Manitoba, a huge change from the previous projection of \$369 million.
- Journalists like [Tom Brodbeck](#) and [Dan Lett](#) are critiquing the NDP government's doubling down on their commitment to implement the tax cuts of the previous PC government
- Given this new information, it is clear the tax cuts create a structural deficit with a substantial fiscal cost. It is a substantial opportunity cost for investment in services and to address the social deficit. Manitoba is borrowing money to pay for the education property tax and income tax cuts.
- [Funding Our Way: Rebalancing Revenues and Spending for a Fair and Prosperous Manitoba](#) by Jesse Hajer, Niall Harney and David Macdonald is a recent report published by CCPA Manitoba that highlights how massive Manitoba government tax cuts are impacting the fiscal sustainability of public services. This report examines the regressive nature of recent tax cuts and the challenges with this approach as a redistributive method to deal with affordability. The report describes how the tax cuts have brought Manitoba's own-source revenue to a modern low relative to the size of the economy. The report compares taxes across Canadian provinces and finds Manitoba's taxes range from the lowest to median among provinces with respect to its tax revenue relative to the size of its economy, suggesting Manitoba has the fiscal space to modestly and progressively increase taxes. The affordability crisis is hitting low- and moderate-income Manitobans very hard, and targeted efforts are needed to help those most impacted while ensuring the sustainability of public services and reducing rising income inequality.
- [The Austerity in Manitoba](#) research project documents the negative impacts of cuts and privatization made by the previous Manitoba government.
- [A poll by Probe Research last spring](#) found the majority of Manitobans would rather the education property tax cut be reversed and go to public services.
- The tax cuts in Budget 2023/24 are extremely regressive; the more money people make, the more money they get back on their taxes.
- The education property tax cuts are only available for those who own properties and hugely benefit wealthy Manitobans with large properties. The same goes for the income tax changes - the wealthiest get \$1,300 back on their taxes, and the lowest income people get \$37 - [see CCPA MB analysis of this here](#).
- It will also leave Manitoba with little to no money available to reverse the austerity of the PC government, deal with problems like massive wait times in health care, underfunding of education and child care, need for social housing, need for mental health services, funding to deal with the climate crisis, the cuts to the civil service, and the social deficit that has accumulated from years of neglect etc etc...
- If a Polleuve government is elected federally, transfers to Manitoba will be slashed, resulting in more service cuts, austerity and social deficits
- The current Finance Minister, Adrien Sala spoke out against the tax cuts when in opposition. See the [Handsart here](#).

