

February 22, 2017

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[REDACTED] s.40(1)
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[REDACTED]
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Re: Your request for access to information under Part II of the *Access to Information and Protection of Privacy Act* [Our File #: FIN-5-2017]

On January 25, 2017, the Department of Finance received your request for access to the following records/information:

“All correspondence (emails, memos, briefing notes, etc.) analyzing the impact of the book tax on post-secondary students.”

The Department of Finance is pleased to inform you that your request has been granted in part and is attached.

It is important to note while preparing our response some of the information requested has been identified as cabinet confidences and therefore have not been included in the attached, pursuant to sections 27. (1)(c), 27.(1)(h) and 27.(2)(a) of the *Access to Information and Protection of Privacy Act, 2015* (ATIPPA). As a result;

- Pages 1-10 have been removed pursuant to sections 27.(1)(c) and 27.(2)(a) of ATIPPA; and
- Pages 11-19 have been removed pursuant to sections 27.(1)(h) and 27.(2)(a) of ATIPPA.
- Additional information regarding the exceptions to disclosure applied above (section 27 of ATIPPA) are available online at the following website address:
<http://www.assembly.nl.ca/Legislation/sr/statutes/a01-2.htm>

Please be advised that you may ask the Information and Privacy Commissioner to review the processing of your access request, as set out in section 42 of the *Access to Information and Protection of Privacy Act* (the Act). A request to the Commissioner must be made in writing within 15 business days of the date of this letter or within a longer period that may be allowed by the Commissioner. The address and contact information of the Information and Privacy Commissioner is as follows:

Office of the Information and Privacy Commissioner
2 Canada Drive
P. O. Box 13004, Stn. A
St. John's, NL. A1B 3V8

Telephone: (709) 729-6309
Toll-Free: 1-877-729-6309
Facsimile: (709) 729-6500

You may also appeal directly to the Supreme Court Trial Division within 15 business days after you receive the decision of the public body, pursuant to section 52 of the Act.

Please be advised that responsive records will be published following a 72 hour period after the response is sent electronically to you or five business days in the case where records are mailed to you. It is the goal to have the responsive records posted to the Completed Access to Information Requests website within one business day following the applicable period of time. Please note that requests for personal information will not be posted online.

If you have any further questions, please feel free to contact the undersigned by telephone at 709-729-2082, or by email at bethbartlett@gov.nl.ca.

Sincerely,



Beth Bartlett
ATIPP Coordinator

Attachment

From: [Haynes, Dale](#)
To: [Boland, Gail](#)
Subject: FW: Book taxes
Date: Friday, February 3, 2017 10:11:00 AM

Hi Gail: Please follow email chain below, not sure if this is relevant.

From: Haynes, Dale
Sent: Tuesday, April 26, 2016 9:02 AM
To: Ivey, Lisa
Subject: RE: Book taxes

correct

From: Ivey, Lisa
Sent: Tuesday, April 26, 2016 8:57 AM
To: Haynes, Dale
Subject: FW: Book taxes

From: Martin, Craig
Sent: Tuesday, April 26, 2016 8:54 AM
To: Kearsy, Maxine; Ivey, Lisa
Cc: Griffin, Jay
Subject: FW: Book taxes

Maxine or Lisa,

Believe the answer is yes, but wanted to confirm before I reply.

Craig

From: Tulk, Jennifer
Sent: Tuesday, April 26, 2016 8:51 AM
To: Martin, Craig
Subject: Fw: Book taxes

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Foote, Carla <CarlaFoote@gov.nl.ca>
Sent: Tuesday, April 26, 2016 8:50 AM
To: King, Tracy
Cc: Tulk, Jennifer
Subject: Book taxes

Hi Tracy,

Do you know if the HST on books also apply to text books? Specifically post secondary, when the college resells books to students will they charge HST?

Thanks
Carla

Sent from my BlackBerry 10 smartphone on the Bell network.

Key Messages

HST on Books

January 16, 2017

- Budget 2016 included a number of measures to increase revenue, measures to reduce spending, and outlined a plan to return to surplus. It was a difficult but first step to achieving long term sustainability for the province.
- The Government of Canada charges HST on the sale of books. As part of Budget 2016, the Provincial Government eliminated the book rebate in January 2017 where the provincial portion of the HST was rebated at the point of sale and not charged to the customer.
- This resulted in estimated savings of approximately \$2.1 million.
- The Public Sector Body Rebate (PSB) applies to all public institutions that meet the definition defined by the federal Excise Tax Act – the Government of Newfoundland and Labrador cannot eliminate a federally legislated rebate and cannot choose who gets this rebate.
- Public Sector bodies previously eligible for the federal book rebate will continue to be eligible for tax relief on the provincial portion of the tax. Some examples include K-12 schools, Provincial libraries, School Boards and MUN and College of North Atlantic Libraries. They will not pay this tax.

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On Students:

29.(1)(a)

- As part of Budget 2016 measures to increase revenue, the HST rebate on books was eliminated, including text books for post-secondary students in Newfoundland and Labrador.
- While students do have to pay the HST on their text books, the post-secondary system in this province provides a wide array of benefits that students can take advantage of, including the most generous student financial assistance program available anywhere in Canada. For example, a MUN undergraduate student's debt for a four-year program is 40 per cent lower than the Canadian national average.
- MUN's tuition is the lowest in Canada and students pay only a fraction of how much it costs for their education. On average, for all students, the Provincial Government pays for approximately 80 per cent (over \$25,000) of the cost of university-level education.

- \$52.4 million of MUN's base budget in 2016-17 is for supporting the freeze.
- MUN receives more grant-in-aid (GIA) from the Provincial Government for general operations than the universities combined in each of the Maritime Provinces.

Secondary:

- HST is administered by the Federal Government. Revenues from the HST are collected by the Canada Revenue Agency and Canada Border Services Agency and shared between the Federal Government and the HST participating provinces; Newfoundland and Labrador being one of them.
- It is the Canada Revenue Agency's role is to administer the HST on behalf of the provinces and they are responsible for the administration, compliance and collection of HST.
- Based on the information the department received from the federal government prior to Budget 2016, it was determined:
 - the reduction in the HST allocated to the Province that was attributable to the POS book rebate;
 - the split between expenditures attributable to consumers and those attributable to public sector bodies.
- Based on this information, the Department estimated for Budget 2016 the POS book exemption for consumers to be approximately \$2.1 million and that approximately 40 per cent of all books purchased in this province could be attributable to public sector bodies.
- According to Statistics Canada, for 2016-17:
 - Undergraduate tuition at MUN is the lowest in Canada and is approximately 57 per cent lower than the Canadian average.