

---

## NEWS RELEASE

For Immediate Release  
2011PREM0063-000699  
June 10, 2011

Office of the Premier

### **Commitment to 10 per cent HST now law**

VICTORIA – The Province’s commitment to lower the HST rate to 10 per cent in two stages will be law today after the Government of Canada amended federal regulations governing British Columbia’s HST rate.

“We promised to listen to the public and then act on what we heard from British Columbians on how to improve the HST. This is exactly why we are proposing reducing the HST to 10 per cent by 2014,” said Premier Christy Clark. “We want people to know if they vote to keep the HST that the reduction will take place by law. Today’s action by the federal government puts the proposal to reduce the HST in B.C. to 10 per cent into law. If British Columbians vote ‘No’ to higher taxes in the referendum, then the 10 per cent HST is locked in.”

At the request of the Province, the federal government changed the law governing the B.C. HST to lower the B.C. portion of the HST to six per cent on July 1, 2012, and to five per cent on July 1, 2014, subject to a “No” vote in the HST referendum. These rate reductions mean the combined federal and provincial HST rate in British Columbia would be 10 per cent on July 1, 2014, which is lower than the 12 per cent total tax rate under the two-tax system of the PST plus GST.

“The final decision on the HST will be made by British Columbians. A “No” vote will mean a 10 per cent HST. A “Yes” vote will mean going back to the 12 per cent PST and GST,” says Finance Minister Kevin Falcon. “We are confident British Columbians will agree that a 10 per cent tax rate is better for B.C. families than the old 12 per cent two-tax PST and GST system and will vote “No” in the referendum.”

The federal Order to decrease B.C.’s HST rate comes after a motion passed in the B.C. Legislature on May 31, 2011, committing the Province to reduce the B.C. portion of the HST rate from seven per cent to five per cent by July 1, 2014. Under the terms of the binding motion, the Province would also provide one-time transition payments of \$175 per child for families with children under 18 years old. In addition, low- and modest-income seniors would receive a one-time transition payment of \$175.

“Our government made an iron-clad commitment to the people of B.C., and that commitment is now law,” says Attorney General Barry Penner. “It is now a requirement under federal legislation that B.C.’s combined federal and provincial HST rate drops to 10 per cent on July 1, 2014, but this will only happen if British Columbians vote “No” in the HST referendum to going back to an overlapping 12 percent GST and PST.”

Proposed changes to the HST, including transition payments, would only take effect should British Columbians vote to keep the HST.

You can view the Order in Council [here](#)

Media contact:  
Rebecca Scott  
Office of the Premier  
250 589-9722

Connect with the Province of B.C. at [www.gov.bc.ca/connect](http://www.gov.bc.ca/connect)