

MEASURES OF INTEREST TO THE CANADIAN CONSTRUCTION INDUSTRY **BUDGET 2007**

INFRASTRUCTURE:

- The Gas Tax Fund has been extended by four years to 2013-2014 (previously, funding for the Gas Tax Fund had only been in place until 2009-2010). For the extended years, the level will remain at \$2 billion per year.
- Monies from previously announced programs, including the Canada Strategic Infrastructure Fund, the Municipal Rural Infrastructure Fund, and the Border Infrastructure, will be spent, but these programs will be sunsetted. Government officials state that monies from the Highway and Border Infrastructure Fund announced in Budget 2006 have been rolled into the new programs described below.
- A new "Building Canada Fund" is created with \$8.8 billion in new funding over 7 years. This money will be provided to provinces to finance investments in highways, public transit, water / sewer projects, and cultural and recreational facilities.
- A new fund for gateways and border crossings is created, and provided with \$2.1 billion in funding over 7 years. It will enhance infrastructure at key border and gateway crossings, including an Atlantic gateway.
- The Pacific Gateway, renamed the Asia-Pacific Gateway and Corridor Initiative, is provided with \$409 million more, in addition to the \$591 million from Budget 2006.
- A new public-private partnerships fund is created, worth \$1.25 billion over 7 years. It will be provided to projects on a merit basis, and will contribute up to 25% of the costs of innovative PPP projects.
- A new funding envelope is created that will provide \$25 million a year to each province and territory for 7 years to allow provincial and territorial jurisdictions to invest in transportation projects of national significance, such as roads, highways, and gateways. The federal government will spend \$2.275 billion over 7 years on this program.

TAX REFORM:

- Capital cost allowance rates for non-residential buildings will be increased to 6 percent from 4 percent. The rate for buildings used in manufacturing and processing will be increased to 10 percent from 4 percent. CCA has called for such increases in previous briefs to the federal government.
- Provinces will be provided federal incentives to eliminate provincial capital taxes.

LABOUR / TRAINING:

- \$3 billion over six years is provided to support labour market training. Specific uses for this money will be subject to negotiations with provinces and territories.
- The federal government will introduce a new immigration stream whereby skilled temporary foreign workers already in Canada will be able to apply for permanent residency without having to leave the country.