1% TVQ (QST)
Background, process and results

Jasmin Savard – Directeur Général
Some background elements (1 of 2)

2016-2019

- Partnership agreement with Municipalities
  - ± $ 3.2 billion additional (repayment, bonus and new funds)
  - Six financial measures
  - Nine non-financial measures

2020-2023

- Renewal of the Partnership Agreement with Municipalities
  - Priority QST 1%
  - Seven financial measures
  - Seven non-financial measures
Some background elements (2 of 2)

2020-2023

1. 1% transfer of QST
2. Complete payment of tax in towns
3. Sharing of royalties on natural resources
Why this request?

- Transformation of the economy
- Need to diversify the revenues of municipalities
- Need a link with the evolution of the digital economy
Significant expenses...

- **Financing costs**: 5.3%
- **Leisure and culture**: 14.3%
- **Planning, urb. and dev.**: 17.5%
- **Hygiene, health, well-being**: 23.1%
- **Transportation**: 23.1%
- **Public Security**: 18.6%
- **General Administration**: 14.6%
- **Others**: 5.0%

Total: 17.5 G$
...which are constantly increasing

- Fight against climate change
- Public security
- Infrastructure
- Etc.
Revenue greatly dependant on property taxes

- Municipal taxes: 63.2%
- Compensation in lieu of taxes: 3.9%
- Transfers: 3.0%
- Taxation of rights: 3.5%
- Fines and other services rendered penalties: 12.9%

Total revenue: 20.1 G$
…which lead municipalities into a tax impasse
A politico-economic context in motion

- A new government in power
- A very favorable economic situation
- Unprecedented budget surpluses
Rigorous planning

Consultations Affinity Caucuses

Annual Meeting of the UMQ 2018

Tour of Quebec

Municipal Summit

Provincial Elections

January to March 2018

May 2018

May to September 2018

September 2018

October 2018
Consultations of the UMQ Affinity Caucuses

Regional cities

Big Cities

Municipalities of centrality

Municipalities of the Metropolis

Local Municipalities
Commitment of the leaders of the main political parties to transfer 1% of QST to Quebec municipalities
Tour of Quebec

17 regions visited
34 organized meetings
+300 elected and elected met
+200 socio-economic actors encountered

Multiples mentions in the media both regional and national
Municipal Summit

Reiteration of the commitment party leaders to transfer 1% of QST to Quebec municipalities
Concrete actions from the first weeks in power
## Next Steps

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<td>Met political, administrative and technical</td>
<td>Signature of agreement</td>
<td>CE, CA et AGE de l’UMQ</td>
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