

August 4, 2017

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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-54-2017]

On July 21, 2017, the Department of Finance received the following request for access to information:

“Effective January 1, 2017, the general provincial point-of-sale rebate of the provincial component of the Harmonized Sales Tax (HST) applicable to all printed book purchases was discontinued. (We have named it the "book tax") Can the department give us the amount of revenue to date generated by the discontinuation of that rebate? Also, as of the same date, that rebate would be replaced by a rebate under the federal Excise Tax Act (ETA) of the provincial component of the HST applicable to the purchase, import or bringing into the province of printed books by public libraries, schools, universities, public colleges, municipalities and qualifying charities and non-profit organizations. How much revenue will the department lose from claims on these rebates?”

Please be advised that we have reviewed our records and determined that the Department of Finance has no records responsive to your request.

The Department of Finance does not receive monthly data related to taxable goods and services. A federal-provincial agreement, the Comprehensive Integrated Tax Coordination Agreement (CITCA) governs how HST is applied and how revenue is shared amongst HST participating provinces, including Newfoundland and Labrador. Under CITCA, there is no individual tracking of retail purchases. However, within CITCA, a revenue allocation arrangement between participating provinces and the Government of Canada has been established whereby a variety of economic, statistical and administrative data is used to determine each province’s estimated share of a declared revenue pool. From these estimates, the Government of Canada can also determine the degree of expenditure attributable to a variety of consumer expenditures, printed books being one. From this data, it is possible to determine the degree of expenditures attributable to consumers and public sector bodies alike in relation to the commodity in question (in this case, books). The latest consumer expenditure data prepared by the Government of Canada (May 2017) indicates that NL consumers made approximately \$29.6 million in expenditures (2015 data). This data, coupled with the application of the provincial portion of the HST (10%) suggests that the province could estimate \$2.96 million in revenue in 2017-18 from this commodity. However, given the lag in data, revised consumer expenditure data for the 2017 calendar year will not be reflected in HST entitlements until December of 2018.

Appendix I of the Budget 2017 Estimates (www.budget.gov.nl.ca/budget2017/estimates/estimates.pdf), indicates that rebates on qualifying printed books for public bodies was estimated to cost \$1.6 million for the 17/18 fiscal year.

The *Access to Information and Protection of Privacy Act, 2015* requires us to provide an advisory response within 10 days of receiving the request. As this request has been completed prior to day 10, this letter also serves as our Advisory Response.

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

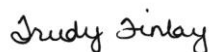
Telephone: (709) 729-6309
Toll-Free: 1-877-729-6309
Facsimile: (709) 729-6500

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 709-729-0675, or by email at tfinlay@gov.nl.ca.

Sincerely,



Trudy Finlay
Backup ATIPP Coordinator