



Finance & Treasury Board Office of the Minister

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May 13, 2014

Mr. Sean Kirby
Executive Director
Mining Association of NS
E-mail: sean@tmans.ca

Dear Mr. Kirby:

I know that the removal of the motive fuel tax for the mining and quarrying sector is an important issue for your stakeholders. We intend to fulfill our election commitment over the final three years of our mandate.

The mining and quarrying sector is a large contributor to Nova Scotia's economy, particularly in rural areas. The Ivany Commission underscores the need to strengthen our traditional sectors and the removal of the fuel tax will allow the sector to be more competitive and to reinvest in its strengths. It also adds fairness and simplicity to the tax structure as it applies to the resource sector--an important objective for our government and the foundation of the Tax and Regulatory Review.

Our government will need to balance the fiscal challenges of Nova Scotia with the removal of the fuel tax. A phase-in of the rebate over the final three years of our mandate is the most reasonable approach. I ask for your understanding on this and I encourage MANS to work with us to institute the rebate in a manner that works for both government and the sector.

This decision does not prohibit the Tax and Regulatory Review from commenting on the decision or on the tax, fee, and regulatory structure as it relates to the mining and quarrying sector. For the Tax and Regulatory Review to serve both an educative and substantive purpose, it must be able to look at Nova Scotia's tax, fee, and regulatory structure in its entirety.

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The mining and quarrying industry is critical to the success of Nova Scotia's economy. I am confident that the removal of the motive fuel tax will mark the renewal of a productive relationship between the Government of Nova Scotia and the mining and quarrying sector. I trust that the sector will fulfill its commitment and reinvest savings so the sector can grow to the benefit of all Nova Scotians.

Yours truly,



Diana Whalen
Minister of Finance & Treasury Board