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# Legislation to make life more affordable receives Royal Assent

From: [Department of Finance Canada](#)

## News release

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The global landscape is rapidly changing, leaving economies, businesses, and workers under a cloud of uncertainty. In response, Canada's new government is focused on what we can control: building a stronger economy to make life more affordable for Canadians.

Bill C-4, the *Making Life More Affordable for Canadians Act*, today received Royal Assent. This legislation brings key affordability measures into law, which will save Canadians hundreds of dollars each year. These measures include:

- **A middle-class tax cut:** By lowering the first marginal personal income tax rate from 15 per cent to 14 per cent since July 1, 2025, nearly 22 million Canadians will benefit from tax relief of up to \$420 per person, saving two-income families up to \$840 this year. The bulk of tax relief will go to those with incomes in the two lowest tax brackets (i.e., those with taxable income under \$117,045 in 2026), including nearly half to those in the first bracket (\$58,523 and below in 2026). Canadians whose 2025 income was not subject to payroll deductions will realize this tax relief this spring, when they file their 2025 income tax return.

- **The first-time home buyers' rebate:** Canada's new government is eliminating the Goods and Services Tax (GST) for first-time home buyers on new homes up to \$1 million and reducing the GST for first-time home buyers on new homes between \$1 million and \$1.5 million. This tax cut will save Canadians up to \$50,000—allowing more young people and families to enter the housing market and make the goal of home ownership a reality for more Canadians. The rebate will generally apply to agreements of purchase and sale entered into on or after March 20, 2025, and before 2031. With Royal Assent of the bill, the Canada Revenue Agency (CRA) will now be able to start processing rebate claims.
- **Permanently removing the federal consumer fuel charge from legislation:** Canada's new government cancelled the consumer fuel charge—directly allowing Canadians to save money from the price they pay at the pump. The government also removed the requirement for provinces and territories to have a consumer-facing carbon price as of April 1, 2025. These actions have reduced gasoline prices in most provinces and territories by up to 18¢/L in comparison to 2024-2025, lowering inflation. Bill C-4 will give Canadian consumers and businesses certainty that the consumer carbon price is being permanently removed by eliminating it from federal legislation.

## Quotes

“Bill C-4 delivers meaningful, tangible relief for Canadians. By cutting taxes for the middle class and first-time home buyers, and permanently removing the federal fuel charge, we're taking concrete steps to make life more affordable.”

- *The Honourable François-Philippe Champagne, Minister of Finance and National Revenue*

# Quick facts

- Canada's new government has been relentlessly focused on bringing costs down for Canadians, with actions including:
  - Introducing a new Canada Groceries and Essentials Benefit (formerly known as the GST Credit). This means that a family of four will receive up to \$1,890 this year, and about \$1,400 a year for the next four years; and a single person will receive up to \$950 this year, and about \$700 a year for the next four years.
  - Starting Automatic Federal Benefits for the 2026 tax year that will reach up to 5.5 million low-income Canadians by the 2028 tax year. For many Canadians, filing an income tax return is the gateway to accessing important benefits, such as the Canada Child Benefit and the new Canada Groceries and Essentials Benefit. To make filing simpler and more automatic for millions of lower-income Canadians, the CRA will provide a pre-filled income tax return that these individuals will be able to review and confirm, and the CRA will automatically file these individuals' taxes to ensure they receive government benefits they qualify for—including benefits that these Canadians may not be aware they are entitled to. In addition, to help individuals with lower incomes receive the benefits to which they are entitled, Budget 2025 also proposes to allow the CRA to file a tax return on behalf of certain eligible individuals with lower incomes in simple tax situations who do not owe tax and do not file themselves.
  - Making the National School Food Program permanent to provide meals for up to 400,000 children. This program ensures kids are fed healthy meals at school and saves families with two children \$800 per year on groceries. By making it permanent, we will work with

provinces, territories, and Indigenous partners to expand the program into more schools across Canada.

## Associated links

- [Reducing costs and helping you get ahead](#)
- [First-time home buyers' \(FTHB\) GST/HST rebate](#)
- [Legislation Passes to Deliver New Canada Groceries and Essentials Benefit](#)
- [Budget 2025](#)
- [Government tables a Motion to bring down costs for Canadians](#)

## Contacts

### Media may contact:

John Fragos

Press Secretary

Office of the Minister of Finance and National Revenue

[John.Fragos@fin.gc.ca](mailto:John.Fragos@fin.gc.ca)

Media Relations

Department of Finance Canada

[mediare@fin.gc.ca](mailto:mediare@fin.gc.ca)

613-369-4000

# General enquiries

Phone: 1-833-712-2292

TTY: 613-369-3230

E-mail: [financepublic-financepublique@fin.gc.ca](mailto:financepublic-financepublique@fin.gc.ca)

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