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The Western Mississauga Record

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Member of Provincial Parliament
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EACH YEAR, Ontario tables its budget and plan for the upcoming fiscal year. Facing a global economic recession that did not start in Ontario, and was not due to anything Ontario did or did not do, what were the Province's options in its March 26th Budget?

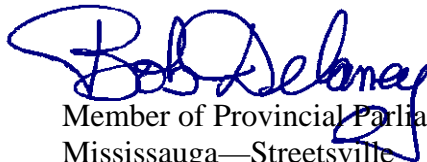
- We could have, in financial terms, pulled the covers over our heads, stayed in bed and waited for the storm to pass;
- Or we could have done what Ontarians sent us to do: lead, and look to the future.

This second option, leadership rather than mere management, is what the Province chose to do. The [2009-10 Ontario Budget](#) is a bold and forward-looking document. It sets out to provide Ontario's entrepreneurs, small business people, innovators and large businesses with a sustainable global competitive advantage through a comprehensive package of tax reform proposals. As well, the Budget contains stimulus measures to preserve jobs today; infrastructure investments to secure our ability to provide essential services in the future; measures to spur job creation and support sectors of the Ontario economy facing a crunch this year.

If you are viewing this newsletter on your computer, you can click the hyperlink above, and go directly to the Ontario Budget 2009 Home Page for much more detail, including the full budget document.

Ontario was late into the current global economic slowdown, and this budget contains many measures to enable Ontarians and the organizations that employ them to be early out of the difficult times we face. There is a lot to the document, and I will cover as much as I can here. You can contact my office, or download much more detail online.

Kind regards,



Member of Provincial Parliament
Mississauga—Streetsville

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A bold, forward-looking Budget for all Ontarians

ON MARCH 26TH, Ontario's Finance Minister, Hon. Dwight Duncan delivered Ontario's budget for the fiscal year that runs from April 1, 2009 through March 31, 2010. The Budget incorporated five major themes in its plan: preserving and creating jobs today; making Ontario more competitive for jobs tomorrow; tax relief for families and businesses through a comprehensive tax reform package; investing in children and families; and, modernizing government through setting efficiency targets.

The centerpiece of the 2009 Ontario Budget is a series of comprehensive tax reform measures designed to make the businesses that employ Ontarians more competitive in a global business environment, and to reduce the paperwork and costs of two different taxes on the same sales transaction, payable to two different levels of government, using two different sets of rules; two different bureaucracies; and requiring two different shelves of books and manuals.

The comprehensive tax package will take effect **July 1, 2010**. Some key aspects of Ontario's tax reforms include:

- Moving from two sales taxes to a *single sales tax*, making Ontario more competitive globally. Most Ontarians, depending on their income, will get *three cheques*, part of a \$4 billion province-wide relief, to help smooth the transition to a single sales tax;
- Exemptions from the single sales tax will help families by making such items as these tax-exempt: books, children's clothing and footwear, feminine hygiene products, car seats, diapers;
- **An estimated 93 percent of all Ontarians will receive a personal income tax cut**, and Ontarians will see a 17% tax cut on the first \$36,000 they earn;
- A new sales tax credit will give low-income families a refundable tax credit of \$260 per person and child;
- Seniors in particular will benefit from an enhanced refundable property tax credit. This will enable more people to remain in the homes in which they have raised their families as they age, and live on their pension incomes;
- The tax rate for small businesses will be cut by 17 percent, and corporate income tax rates will be cut by 28 percent.



Bob occasionally serves as the Deputy Speaker in the Legislature. Here, in April, he is seen on the Speaker's throne in the Legislative Chamber.

The proposed Single Sales Tax and how it might affect you

THE MOST TALKED-ABOUT ELEMENT of the 2009-10 Ontario Budget is the proposal to integrate the federal Goods-and-Services Tax (GST) with the Ontario Provincial Sales Tax (PST) into a Single Sales Tax with a combined rate of 13 percent. Let's deal with some of the more commonly-raised issues here. A much more comprehensive resource can be found on either my [constituency office web site](#), or on the [Ministry of Finance web site](#).

Ontarians need to get out of the global economic recession stronger and better able to do business world-wide. One of the best ways to do this is to implement a value-added sales tax to bring Ontario into line with what is viewed as the most efficient form of sales taxation around the world.

In with the new, out with the old

The UK, Australia, much of Europe, China, Japan and some 130 OECD countries worldwide have implemented this form of consumption tax.

Ontario's PST was introduced nearly 50 years ago, at a time when services formed a small segment of the economy; export was minimal; and supply chains were simple. The existing PST makes tangible goods too expensive, and gives firms that sell services a free ride. The Single Sales Tax levels the business playing field, and ensures that things are only taxed *once*, and tax is not "embedded" in goods and services.

What will *not* be taxed?

Things not subject to the existing GST, like basic groceries; prescription drugs; medical devices and the like, will largely be exempt from the proposed Single Sales Tax.

As well, there will be made-in-Ontario components of the Single Sales Tax. For example, children's clothing and footwear; books; car seats; booster seats; diapers; feminine hygiene products and a list of

others would also be exempt from the Single Sales Tax.

House purchases and the proposal

The proposed provincial rebate program would be more than twice as generous as the GST housing rebate. Its net effect would be to ensure that, on average, new homes under \$400,000 would not be subject to any additional tax burden.

Resale homes would not be subject to the proposed Single Sales Tax. The vendor will pay the proposed Single Sales Tax on an amount that works out to be the *profit margin* of the agent's commission, as the existing system already embeds the retail sales tax paid by real estate agents into the commission structure.

For the purchaser of a resale home, nothing changes.

For more detailed information, see either my [constituency office web site](#), or on the [Ministry of Finance web site](#).

Tax relief for individuals

Some **93 percent of all Ontarians** will see their taxes *reduced* as the comprehensive measures in the 2009-10 Budget are implemented. During the next three years, the Budget proposes some **\$10.6 billion** in tax relief for individuals. Some examples:

- A series of three cash payments, up to \$1,000 for families, and up to \$300 for singles in 2010 and 2011 to ease the transition to the new Single Sales Tax;
- A new, permanent, \$260 refundable sales tax credit for low- and middle-income adults, children and seniors;
- An enhanced refundable property tax credit to especially enable seniors to stay in their homes longer, and also benefit low- to middle-income homeowners and tenants;
- Flat-out reduced personal income tax rates.

Bob Delaney, Member of Provincial Parliament, Mississauga-Streetsville

All in all, the greatest share of tax relief goes to low- and middle-income individuals, families, retirees and seniors.

Help for seniors in the Ontario Budget

Measures proposed in the Budget will increase the Senior Homeowners' Property Tax Grant from \$250 to \$500 a year. This will help low and middle income senior homeowners offset their municipal property taxes. A cheque for the grant will be issued to eligible seniors after they submit their income tax form.

The Budget also proposes reforms for locked-in accounts to give seniors more flexibility in accessing the funds in their accounts. This includes increasing unlocking from Ontario life income funds (LIFs) from 25 to 50 percent and providing a two-year waiver of fees for financial hardship unlocking applications.

Help for those who create jobs

A whole suite of measures to make it easier to do business in Ontario are part of the Budget. Ontario will become the most cost-effective jurisdiction in North America for new investment under the provisions.

Income tax rates for businesses of all types will fall, and the small business deduction surtax will be eliminated as of July 1, 2010.



Each year, Mississauga's MPPs host a budget breakfast the morning after the Ontario Budget is delivered. It is co-sponsored by the Mississauga Board of Trade, and this year, by Meadowvale CA Firm, Sidler & Co. My role was to be the moderator of the MPP panel this year. Here, I am directing a question to Bramalea Gore Malton MPP Kuldip Kular, at left. Mississauga South MPP Charles Sousa sits between us, and Mississauga East Cooksville MPP Peter Fonseca is at right.

What about our schools?

Students learn best in a peaceful, stable and progressive education system. Building on the last five years, the 2009 Ontario Budget increases education funding which will help your kids in the classroom and beyond. Students will benefit from:

- Targeted class-size reductions in Grades 4-8;
- Additional arts and specialist teachers;
- Additional staff to support special needs students;
- Expanded secondary programming.

Helping create the jobs of the future

The businesses of tomorrow need sustainable energy, and the ability to do business in an environmentally-sustainable manner.

The proposed [Green Energy Act](#) is fostering the growth of renewable energy in Ontario, and increasing energy conservation. For those who generate energy from renewable sources, the Act guarantees specific rates, and helps firms building renewable energy sources get through the approvals process more efficiently.

The Budget also proposes partnerships to support the new products and services that will drive prosperity in the decade to come. On top of the already-announced \$3 billion, the Budget proposes some \$110 million in tax measures, and \$715 million in new investment in such fields as genomics; clean technologies; health and life sciences; digital media; information and communications technologies.

For more info, contact me:

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