

May 28, 2018

Mr. Greg Essensa
Chief Electoral Officer, Elections Ontario
51 Rolark Drive
Toronto, ON M1R 3B1

Dear Mr. Essensa,

I am writing in accordance with the Taxpayer Protection Act.

The fiscal framework on Page 94 of Change for the Better contains a detailed costing of an NDP government's planned expenditures and revenues. The assumptions are based on the forecasts and baseline costs and revenues in Budget 2018, net of the new commitments outlined in Table 3.23. Our revenue and costing measures have been assessed by Kevin Page, President and CEO of the Institute of Fiscal Studies and Democracy and former Parliamentary Budget Officer, who deemed the revenues and costs to be reasonable.

Our detailed fiscal framework shows 5 years of projected revenues and expenditures. Further to Subsection 4(3) of the Act, our platform Change for the Better, is available at www.ontariondp.ca/platform.pdf and outlines detailed yearly revenue changes.

We will increase the tax on corporate profits by one percentage point in 2019–20 and 0.5 percentage points in 2021–22. In 2019-20 this will increase revenues by an estimated \$1.3 billion. Starting in 2019–20, businesses with payrolls over \$3 million will no longer qualify for small business exemptions to the Employer Health Tax. Starting in 2021–22, these exemptions will be available only to businesses with payrolls \$1.5 million and below. This will raise \$159 million in 2019-20.

We will increase income taxes on the wealthiest Ontarians. People earning \$220,000 will see their income tax increase by one percentage point, while people earning above \$300,000 will see their marginal rate increase by two percentage points. This will generate an estimated \$606 million in 2018-19. We will introduce a modest new luxury sales tax, of 3% on cars sold for over \$90,000, generating an estimated \$12 million. The Tobacco Tax Act taxes will change from volume to value tax generating an estimate \$233 million in 2018-19, based on estimates contained in the 2012 Commission on the Reform of Ontario's Public Services.

The Housing Speculation Tax will put a surtax on foreign and domestic speculators who don't pay taxes in Ontario. Non-Ontario residents who own homes in regions where Ontario's NRST currently applies will see a new annual tax of \$5 per \$1,000 of assessed value, rising to \$20 per \$1,000 of assessed value in 2019, matching British Columbia's schedule. This will raise \$168 million in 2018-19.

Yours truly,



Andrea Horwath, MPP
Leader of Ontario's New Democrats