

May 11, 2022

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

**Re: The 2022 General Election and the Taxpayer Protection Act, 1999**

Mr. Essensa,

Thank you for your letter of May 4, 2022 outlining the requirements to file a statement with the Chief Electoral Officer regarding any proposed tax measures that are contemplated in our platform.

The Ontario Liberal Party has released its Plan for Ontario, *A Place to Grow*. This fully-costed, fair and progressive plan will make life better for the next generation. Our deficit reduction targets align with the Ford Conservatives' timeline, but our plan makes very different choices.

Ontario can be a place to grow, if we make the right choices. We need to rebuild what's always made us strong. Education. Health care. Public services that support working families.

Our Ontario Liberal plan includes a number of affordability measures, including cutting the provincial HST on meals under \$20, lowering transit to \$1 across the province, raising the minimum wage, boosting pensions by \$1,000 for seniors who need it, and eliminating corporate taxes for small businesses deeply hurt by the pandemic for two years.

Pursuant to section 4 of the TPA, I would like to inform you of the following tax changes contained in our plan:

1. *Harmonized Sales Tax* - An increase to the point-of-sale rebate for the provincial portion of the HST on qualifying prepared foods and beverages from \$4.00 to \$20.00.
2. *Income Tax Act* - The creation of a new tax rate of 15.16% on the taxable income of individuals that exceeds \$500,000 per annum. This would result in maintaining the existing tax rate for taxable incomes between \$220,000 and up to \$500,000 at 13.16% and the new rate of 15.16% on taxable income over \$500,000. The new tax bracket would be effective for the 2022 tax year. This change is expected to result in additional revenue of \$150 million in 2022-23 and \$300 million in 2023-24 which would be used toward the cost of eliminating the provincial portion of HST on prepared foods under \$20.
3. *Corporations Tax Act* - An increase in the Corporations Tax rate from 11.5% to 12.5% for corporations with taxable income earned in Canada that exceeds \$1 billion per annum. The new tax rate would be effective for the 2022 tax year. This change is expected to result in additional revenue of \$71 million in 2022-23 and \$142 million in 2023-24, which would be used toward the cost of eliminating the provincial portion of HST on prepared foods under \$20.
4. *Corporations Tax Act* - A change to the small business deduction to provide relief for businesses most impacted by the pandemic. This relief would be scaled depending upon decreases in revenues compared to the 2019 tax year, eliminating tax for those that lost more than 50% of revenue and relief scaled between 50% and 90% of lost revenue. This new tax rate would be effective for the 2022 and 2023 tax years.
5. *Create a new Vacant Home Tax in urban areas* - The new tax would apply to residential properties in designated urban areas that are vacant. The tax rate would be 5% of the assessed value of vacant homes owned by non-Canadians; and 2% of the assessed value of the vacant homes owned by Canadians or landed immigrants. Modeled after the Vacant Home Tax in British Columbia, a number of exemptions would be created including divorce, home being uninhabitable, recent death of the owner, etc. This new tax would be effective for the 2023 calendar year and is expected to generate about \$450 million per annum.
6. *Create a new levy or tax on land ready for development* - To discourage delays in building much needed housing, we intend to work with municipalities to introduce a new levy on developers with serviced land and approved building permits that are not building. This measure is expected to raise about \$200 million in 2023-24.
7. *Expand the Brownfields Tax Incentive Program* - An expansion of the financing tool that allows municipalities to provide property tax relief, and the province to provide matching education property tax relief, to include underutilized commercial properties converted to residential development.

8. *Environmental Protection Act - Greenhouse Gas Emissions Performance Standards (Ontario Regulation 241/19)* - An increase to the performance standards prescribed in the regulation for the 2023-2030 period to achieve a 50% reduction in greenhouse gases below 2005 levels by 2030. The new EPS rates would be effective as of January 1, 2023 and are expected to generate \$54 million in 2022-23 and \$285 million in 2023-24. All proceeds generated would be reinvested to assist companies to reduce greenhouse gas emissions.
9. *Smoke-Free Ontario Recovery Fee* - A recovery fee on tobacco manufacturers for the cost of Smoke-Free Ontario programming. The fee would take effect for the 2022 calendar year and is expected to recover approximately \$44 million in costs.

I thank you for your attention to this correspondence and look forward to receipt of confirmation that it is your opinion, pursuant to subsection 4(5) of the TPA, that this statement complies with the requirements of subsections 4(2) and 4(3) of the Act.

Sincerely,

Steven Del Duca  
Leader  
Ontario Liberal Party