

May 18, 2022

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*.

Our 2022 platform, *Strong. Ready. Working for You* has a detailed costing of an NDP government's planned expenditures and revenues. The assumptions are based on the government's 2022 budget. Our fiscal framework shows three years of projected revenues and expenditures, in line with the government's 2022 budget medium-term outlook and the Auditor General's *Review of the 2022 Multi-Year Fiscal Plan*. Further to Subsection 4(3) of Taxpayer Protection Act, our costing is available [here](#).

We will increase the tax on corporate profits by one percentage point beginning in 2023-24, and 0.5 percentage points in 2025-26. In 2023-24, this will raise an estimated \$2.39 billion. We will raise the inclusion rate for capital gains included in taxable income from 50% to 100% on corporations (excluding small businesses) and individuals with a net worth over \$3 million. This capital gains adjustment includes a primary residence exemption and is estimated to generate \$1.7 billion in 2022-23. We will repeal the government's six-month 5 cent reduction to the provincial gas tax. This will generate \$600 million.

We will not raise taxes on low- or middle-class families, only increasing income taxes on the wealthiest Ontarians. People earning over \$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 \$507 million in 2022-23. We have three new taxes to address the housing affordability crisis, including an annual speculation and vacancy tax on residential property and a tax on pre-construction condo flipping, both based on similar taxes in British Columbia. We will introduce licensing for short-term rentals and a regulation or tax to limit investor purchases of resale homes. We very cautiously estimated these measures to generate \$300 million annually, combined.

We will introduce a new luxury vehicle tax of 5% on vehicles between \$90,000-100,000 and 7% on vehicles over \$100,000. This is estimated to generate \$49 million annually. We will implement a cost recovery fee on the tobacco industry to reimburse the Ontario Government for the \$44 million spent on the Smoke-Free Ontario Strategy.

Yours truly,

Andrea Horwath
Leader of Ontario's New Democrats