



## IN THE MATTER OF THE *TAXPAYER PROTECTION ACT, 1999*

NOTICE is hereby given that in accordance with clause 4(1) of the *Taxpayer Protection Act, 1999*, (“the Act”), that Steven Del Duca, the Leader of the Ontario Liberal Party (“the Party”), filed a statement under subsection 4(1) of the Act with me. The statement indicates that if the Liberal Party of Ontario forms the government following the election on June 2, 2022, the Party intends to make the following taxation-related changes:

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.

As required by subsection 4(4) of the Act, I have reviewed the statement, and I am of the opinion that the statement complies with subsections 4(2) and (3) of the Act, as it contains a clear, concise and unambiguous description of the proposed increase and it sets out the increase in annual revenues that the leader expects will result from the proposed increase.

Accordingly, should the Ontario Liberal Party form the government after the provincial general election, a referendum will not be required with respect to these tax initiatives, pursuant to subsection 4(7) of the Act.

Dated at Toronto, this 13<sup>th</sup> day of May, 2022.

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