



## 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 Andrea Horwath, the Leader of the Ontario New Democratic Party (“the Party”), filed a statement with me on May 18, 2022. The statement, based on the government’s 2022 budget, indicates that if the Party forms the government following the election on June 2, 2022, the Party intends to make the following taxation-related changes:

1. The Party 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.
2. The Party 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.
3. The Party will repeal the incumbent government’s six-month 5 cent reduction to the provincial gas tax. This will generate \$600 million.
4. The Party will be increasing income taxes on Ontarians earning over \$220,000 by one percentage point while Ontarians earning above \$300,000 will see their marginal tax rate increase by two percentage points. This will generate an estimated \$507 million in 2022-23.
5. The Party will introduce annual speculation and vacancy tax on residential property and a tax on pre-construction condo flipping. The ONDP will also introduce licensing for short-term rentals and a regulation or tax to limit investor purchases of resale homes. All these measures combined is estimated to generate \$300 million annually.
6. The Party 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.

7. The Party 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.

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 New Democratic 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 19<sup>th</sup> day of May, 2022.

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