



Carol Mitchell, MPP

Huron-Bruce

Spring Report 2009



Dear Friends:

In the 2008 Spring Report I wrote about what our government was doing to prepare for the expected downturn in the economy. We prepared a skills training program for workers who lost their jobs and increased funding for infrastructure projects. We reduced taxes for business. We also took bold action to help working families by making significant increases to the Ontario child benefit and investing in affordable housing.

The Ontario budget that was released in March followed up on our Fall Throne Speech to meet the challenge of the global recession. We have passed a budget that meets the present needs of our province and sets us on a course to make Ontario more competitive in the global economy. We have not neglected your concerns about the environment. The Green Energy Act combines future economic growth with your desire for a clean environment.

We are acting on many fronts to improve the economy and improve the lives of all Ontarians, including \$10 billion in tax relief over three years:

- We are reducing corporate income taxes and increasing the Ontario child benefit.
- We are reducing the small business corporate tax rate and increasing the minimum wage.
- We are eliminating the small business claw back and reducing income taxes on the lowest income-earners to the lowest level in Canada.
- On top of that, we are building affordable housing and increasing funding for health care, education and post-secondary education.

This budget is responsive to challenging times that the global economic downturn has ushered into Ontario. It's going to build both a more competitive and a more caring Ontario.

This report will outline how the budget will help you. Of the many

budget measures, the singles sales tax has received a lot of attention. I think it's important for everyone to understand why it is an important measure to stimulate the Ontario economy.

In light of the economic downturn the government asked business leaders and others the following question: what is the most important step that the Ontario government can take to help improve the economy? The answer was a single sales tax. It would make them more competitive. Ontario now has the lowest corporate tax rate in North America due to the business tax relief ushered in by the most recent budget. These measures will support growing small businesses and help attract new investment to Ontario.

We have also taken a number of steps to ensure that hardworking Ontarians are not negatively affected by this tax. Due to our negotiations with the federal government Ontario will receive \$4.3 billion to ease the transition to the single sales tax. We have exempted a number of essential consumer items that were previously subject only to the GST. Ontarians will also receive considerable tax benefits to help ensure a smooth transition to the new sales tax system. Single people will receive tax benefits of up to \$300 while couples and single parents will receive up to \$1,000. Finally, we took bold action to ease income taxes as Ontarians will see a 17% tax cut on the first \$ 36,000 they earn. In total 93% of Ontario taxpayers will get an income tax cut.

We are dealing with the global economic downturn, helping working families and preparing for Ontario's economic growth.

Carol Mitchell, MPP
Huron-Bruce

Tackling Poverty

The current global economic crisis underlines the importance of helping Ontario's most vulnerable people. Reducing poverty gives people opportunities to achieve their potential, narrows Ontario's prosperity gap and strengthens the economy.

To move forward on the government's Poverty Reduction Strategy, the budget proposes to accelerate the phase-in of the Ontario Child Benefit (OCB) from \$600 to \$1,100 per child this July, two years ahead of schedule. Almost 115,000 more families would become eligible for the OCB than in 2008.

The budget will also increase social assistant rates by two per cent in 2009-10. This will include families receiving Temporary Care Assistance and Assistance for Children with Severe Disabilities, as well as those in long-term care homes who receive the comfort allowance.

On March 31st, 2009, the Ontario government increased the minimum wage to \$9.50 per hour, to be followed by an increase to \$10.25 per hour on March 31st, 2010, amounting to an increase of 50% over 2003.

The 2009 budget also includes more than \$1.2 billion over the next two years to construct, rehabilitate and retrofit affordable housing units, and \$3 million in 2009-10 to help establish community hubs in select low-income neighbourhoods. These hubs would bring together a range of community partners to identify and provide social, community and educational supports.



Minister of the Environment John Gerretsen with CEO Saad Jasim of the Walkerton Clean Water Centre and Carol. Construction has begun on the new facility.



Carol with Laura Overholt of Healthkick and Pam Stanley at the announcement of funding for Healthkick. Ontario Rural Economic Development provided funding for the program.



Mayor Bill Goetz receives the cheque for the water systems in South Bruce. Ben Lobb, MP and Carol visited the municipal council to make the announcement.

Tax Savings For Families

Ontario is in the grip of a global economic crisis. Together, we need to do everything we can to help out people get through these difficult times and build a stronger Ontario for the future.

That's why Ontario is proposing a comprehensive tax reform package to strengthen our economy for the long term. This reform is the single most important step the government can take in creating more investment and new jobs, helping Ontario emerge from the global economic crisis stronger than ever.

As part of the reform, the government is proposing to combine the two sales taxes paid in Ontario into one, starting July 1, 2010. The single sales tax would combine the GST and PST at a combined rate of 13 per cent.

To help the families with the transition to the single sales tax, the government is providing \$10.6 billion over three years in tax relief for people.

Books, children's shoes and clothing, diapers, car seats and car booster seats, and feminine hygiene products will all be exempt from the new single sales tax.

Newly constructed homes up to \$400,000 will not be subject to an additional tax burden, and there will be partial rebates for those up to \$500,000. The tax would not apply to home resales.

Families with an income of less than \$160,000 will get three payments totalling \$1,000, and single people with an income of less than \$80,000 will get three payments totalling \$300.

In addition to this transitional assistance, Ontario is offering significant permanent tax relief for people. Ninety-three per cent of Ontario taxpayers will get a permanent personal income tax cut, and families and individuals with incomes up to \$80,000 would get an average cut of 10%. As well, low- and middle-income families will see a new, permanent sales-tax credit of up to \$260 for each adult and child.

Setting The Record Straight On Wind Turbines

The Green Energy Act is a new initiative the Ontario government has undertaken to boost investment in renewable energy projects and increase conservation, creating green jobs and economic growth in Ontario.

This proposed legislation is part of Ontario's plan to become a leading green economy in North America.

Here in Huron-Bruce, the issue of wind turbines has generated much discussion, and it appears there are many misconceptions as to what this new legislation will mean.

Under the current process for project approvals, it is the municipalities that are responsible for determining the setbacks for wind projects. The result is that, across the province, there are a patchwork of municipal by-laws.

The Green Energy Act proposes to change all of this. Under the new process, the rules would be developed and regulated by the Ministry of the Environment, creating strong and uniform standards across the province.

By raising this responsibility to the provincial level, our aim is to help Ontario's municipalities by lifting the burden of time, money and effort that these kinds of approvals require.

The Ontario government has been clear that there will be public consultation as part of the streamlined approvals process that is currently being worked on by the Ministries of the Environment and Natural Resources.

Project proponents will be obligated to engage the local community in a conversation about their project before they can move forward. People will not be surprised.

Our government is moving to make our province not only greener, but stronger, and in a much better position to compete and win against the rest of the world. The Green Energy Act is simply the next step in the right direction, for the good of Ontario and our economy.



Minister Smitherman with Carol, Kincardine Mayor Kramer and Enbridge's Janet Holder at the opening of the Enbridge Wind farm.

Addressing Key Sectors of the Economy

The 2009 Budget proposes substantial new support for key Ontario sectors.

These investments will preserve and create jobs, promote innovation, competitiveness, productivity and growth, and attract new investment in Ontario.

Agriculture

The 2009 Ontario budget includes \$8 million a year, starting in 2009-10, to promote Ontario foods to the broader public sector. An additional \$1.5 million will go to the Ministry of Agriculture, Food and Rural Affairs to plan the development of new agri-food research centres. The budget also calls for the development of clearer Ontario Food definitions to help food producers be better able to sell, and consumers better able to identify, Ontario foods.

Small Business

Small business will see a boost from the 2009 Budget, as it will cut the small business the Corporate Income Tax (CIT) rate from 5.5 per cent to 4.5 per cent, effective July 1, 2010. The budget will eliminate the business deduction surtax, effective July 1, 2010, making Ontario the only Canadian jurisdiction that doesn't claw back its small business deduction, and will enhance refundable tax credit rates for small employers who hire apprentices and co-op students. It will extend the refundable Ontario Innovation Tax Credit to more small- and medium-sized businesses, and provide a temporary accelerated depreciation for buying eligible computers and software.

Taking Care of Ontario's Seniors

The Ontario government is working hard to ensure Ontario seniors enjoy a high quality of life by providing the health care and support they need in the ways that best meet their needs.

The 2009 budget includes a number of measures aimed to assist seniors:

Doubling the Senior Homeowners' Property Tax Grant in 2010

The Ontario Senior Homeowners' Property Tax Grant provides up to \$250 to help low- to middle-income senior homeowners pay their 2009 property tax. The maximum grant will be doubled to \$500 in 2010, helping more seniors remain in their own homes. Over the next five years, the grant will provide about \$1 billion in property tax relief to more than 600,000 seniors.

Enhancing the Ontario Property and Sales Tax Credits for Senior Couples

Since 2003, the government has made several improvements to Ontario Property and Sales Tax Credits so they better reflect circumstances facing low-income seniors. Additional measures that would help senior couples include further enhancing the program to ensure senior couples receiving the guaranteed minimum level of income from governments would receive the full benefit from these credits.

Increasing Access to Locked-In Accounts

The government will continue to give seniors and other Ontarians more flexibility in accessing the funds in these accounts by proposing to:

Increase unlocking permitted from Ontario life income funds from 25 per cent to 50 per cent

Provide a two-year waiver of fees for financial-hardship unlocking applications.

Tax Cuts For Business

Ontario is proposing a comprehensive tax reform package to strengthen our economy for the long term. This reform is the single most important step the government can take in creating more investment and new jobs, helping Ontario emerge from the global economic crisis stronger than ever.

Ontario's tax reform will bring significant benefits for business, helping them create jobs and spur economic growth. By moving to a single sales tax, Ontario businesses would see a reduced cost for new business investment, and would save more than \$500 million a year in paperwork costs alone.

To make Ontario more competitive, the budget provides \$4.5 billion over three years in tax relief for businesses. Beginning July 1, 2010, these measures will cut the Corporate Income Tax (CIT) rate for small businesses from 5.5 per cent to 4.5 per cent, and cut the general CIT rate to 12 per cent from 14 per cent, and to 10 per cent in 2013. It will also cut the Manufacturing and Processing CIT rate, which also includes farming, fishing, mining and logging, from 12 per cent to 10 per cent effective July 1, 2010.

The budget also proposes to eliminate the business deduction surtax, which would make Ontario the only Canadian jurisdiction that doesn't claw back its small business deduction.

Once fully implemented, the comprehensive tax reform package would cut Ontario's marginal effective tax rate on new investment in half. This would make Ontario one of the most competitive jurisdictions in the industrialized world for new investment.



Premier Dalton McGuinty and Minister of Agriculture Leona Dombrowsky and Carol at the Bruce County Plowing Match in Teeswater.

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