



Eastern Ontario Wardens' Caucus

Briefing/Speaking Note

PST/GST Harmonization

AMO CONFERENCE 2009

Issue:

Our members are very concerned about the unintended additional financial costs to our operations as a consequence of the harmonization the PST and GST.

Municipalities will now have to pay tax on purchases for which they are presently exempt such as insurance premiums and users will face higher recreational program fees and such important services like fire inspections as a result of the harmonization.

While the Province advises that its proposed 78% rebate of the Provincial component of the tax will be revenue neutral on a sector basis we believe there are going to be winners and losers and in the end, it will be the local municipal taxes that will increase to cover these additional operating costs.

There are also other costs such as the re-programming of municipal computer systems to implement this change, and also the staff resources to inform and explain this change. This in turn will translate into higher municipal tax rate increases and hence higher taxes for our residents and businesses.

Action Requested:

The EOWC Inc. respectfully requests the Minister of Finance to implement a full 100% rebate of new costs resulting from the PST/GST harmonization for all municipal governments and not just on a “sector-wide” basis.

We understand that AMO has been advocating for progress on this issue, and the EOWC firmly supports the position of AMO, specifically that the Province must make the necessary legislative and regulatory changes to the 2009 Budget to reaffirm the Provinces support for local municipal government and not burden our taxpayers with a shift in taxes within the Province of Ontario.