

***Our Values:***

4. Taxation should occur only to fund government services and programmes - including debt repayment - that have been authorized by the people's representatives.
6. We believe that Ontarians are overtaxed and that our tax system must be simplified, reorganized, and taxes reduced.

**Tax Reform is needed in Ontario:**

We believe high corporate taxes are responsible for the loss of business investment and jobs in Ontario.

Health care is an area of spending whose annual growth exceeds the inflation rate, necessitating ever-increasing spending in this #1 priority area for Ontarians.

Ontarians pay an array of taxes, some visible, others not. Whether its fuel tax, tire tax, income tax, the retail PST, or corporate tax, what we have is a complex system requiring large numbers of bureaucrats and accountants to operate. Furthermore, voters have little understanding of the way the province obtains its revenues. As a province Ontario clearly pays more than \$20-billion annually to transfer wealth to "have not" provinces, some of which have higher per capita income than we do! Were Ontario a separate country, not a penny would leave the province and our treasury would be flush with cash. A new deal is needed between the financial arrangements with Ottawa and the other provinces.

The Ontario Health Premium is a tax, brought in by the McGuinty Liberals, to balance the province's books without having to make spending major cuts.

Even on the basic level of taxation - income tax - Ontarians are more aware of Ottawa's income tax than our own, since Ottawa (under a tax agreement) collects income taxes for the provinces except for Quebec. The problem with this arrangement is that Ottawa, in transferring the taxes collected for Ontario back to Ontario, often does so with strings attached, often concerning jurisdictions which are the province's to deal with.

Furthermore, income tax for Ontarians is merely a few minor calculations and based on the final taxes owing to Revenue Canada. There are better ways to structure and simplify income taxation.

**To that end, we propose the following remedies:**

1. First, we will collect our own income tax to ensure that those funds have no strings attached.
2. Next, adopt a flat tax system for income tax. This will make things easier for taxpayers, with everyone paying their fair share. There will be a single tax rate for all Ontarians, applicable on all income, with few if any deductions. This is also designed to reward hard work by not penalizing you when you experience increases in your income.
3. Reduce business taxation to make Ontario the most attractive jurisdiction in which to invest. The initial cut will be from 10% to 8%.
4. Eliminate the Ontario Health Premium tax and Harmonized Sales Tax (HST).
5. Discuss with Ottawa ways to trade off taxes so that both levels of government end up with a unique, simpler tax model. Ultimately, income tax as the only tax method at all three levels (with all three levels funding only their specific programmes, no cost-sharing/co-taxing) might be best.
6. Replace property tax with municipal income tax
7. Discuss alternate Equalization formulas, including doing away with this 1867 programme, to allow Ontario - and all other provinces - to be self-supporting.