



Ontarians already resent harmonized sales tax plan

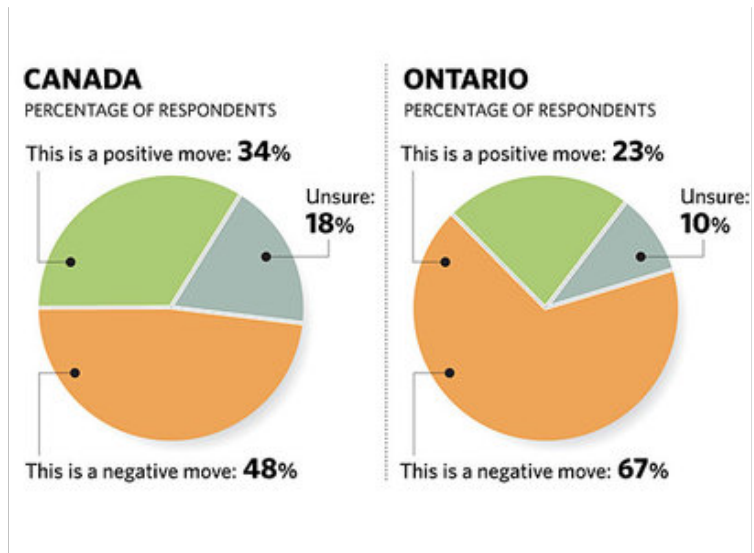
Two-thirds have negative view of 13 per cent levy even though implementation a year away, poll finds

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Premier Dalton McGuinty's harmonized sales tax is more than a year away but Ontarians already resent it, a new survey suggests.

Even though consumers will not be paying the 13 per cent levy until July 1, 2010, there is growing anxiety about the tax's impact on pocketbooks, according to a Nanos Research poll done for the *Toronto Star* and *La Presse*.



TORONTO STAR GRAPHIC
QUESTION: As you may know, the province of Ontario is looking to harmonize its provincial sales tax with the GST. Some people think this is a positive move because it will reduce administrative costs for businesses and government; others think this is a negative move because consumers will pay more in taxes on some services and goods. Which of these two views best reflects your personal opinion? (Source: Nanos Research)

"It's pretty clear that Ontarians are concerned about the potential negative effects of harmonization," company president and CEO Nik Nanos said yesterday.

Nationally, 48 per cent of Canadians see tax harmonization as a negative move while 34 per cent believe it is positive and 18 per cent are unsure. (Quebec, Nova Scotia, New Brunswick and Newfoundland have already harmonized their consumption taxes.)

But in Ontario, 67 per cent of people polled have a negative view of the melded tax compared to 23 per cent seeing it as positive and 10 per cent unsure.

Nanos Research interviewed 1,001 people across the country from April 25 to 30 and results are considered accurate to within 3.1 percentage points, 19 times out of 20.

In Ontario, 302 people were surveyed and provincial results are accurate to within 5.7 percentage points, 19 times out of 20.

Across Canada, 28 per cent felt the business-friendly streamlined tax would boost Ontario's struggling economy while 32 per cent feared it would hurt the province with 25 per cent neutral and 16 per cent unsure. In Ontario, 21 per cent believe it will be positive and 51 per cent said it would have a negative effect with 21 per cent neutral and 7 per cent unsure.

McGuinty wasn't available to the *Star* yesterday, but he recently noted that Ontarians aren't yet that aware of the fact the 8 per cent provincial sales tax is being melded with the 5 per cent GST.

"I think most folks haven't heard about it. Human nature being what it is, we live in a 1,000-channel universe, it's swine flu, it's the world recession, it's the auto sector, all those kinds of things," the premier said last month.

"As we get closer to July of next year then they're going to stare into the face of it and better understand what it's all about," he said April 29.

Nanos said the government is going to have to explain the intricacies of a tax reform that will raise the levies on everything from a morning coffee and muffin to gasoline and heating fuel to funerals and new homes costing more than \$500,000. "Otherwise, they could be in for a very rough ride."

The Liberals clearly appreciate that challenge, which is why the government is lobbying the auditor general to loosen the rules against partisan political advertising.

It is believed McGuinty hopes to launch an ad blitz in the run-up to July 1, 2010 touting the \$1,000 in rebate cheques that most families will receive from the federal government to offset the higher costs of numerous products and services.

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