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Media Release

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1% of the PST Now for Ontario Cities!

Councillors Michael Walker and Case Ootes have submitted a motion to the September 24, 2008 City Council meeting, requesting that City Council petition the Province of Ontario to transfer the equivalent of 1% of the 8% Provincial Sales Tax (PST) to Ontario's municipalities, and that such annual funding be made permanent.

In recent years, a public campaign has been in place by Canada's major cities to acquire 1% of the 5% Federal GST in order to rectify inequalities in the historical imbalance in revenue flowing to and from Canada's major cities.

There is a parallel imbalance between the Ontario government and the City of Toronto. There is a multi-billion-dollar deficit between the 8% PST paid to the provincial government from City of Toronto taxpayers, and the Ontario funding invested back into the City. In fiscal year 2007-2008, the Ontario government collected \$16.9 billion in PST revenue across the province; and these revenues have increased by 60 per cent in the last decade.

Said Councillor Walker; "This is the imbalance that we should really be going after, especially since it was the Ontario government that downloaded social services and a housing portfolio to us a decade ago; and since Premier McGuinty announced on August 25 this year that uploading of these costs would be postponed yet again."

"If Ontario's major cities were given 1% of the 8% PST, this would give us the permanent, reliable funding we and other Ontario cities need to properly plan our respective long-term financial futures," noted Councillor Case Ootes.

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