

Community Development Halton
860 Harrington Court
Burlington ON L7N 3N4
Phone 905-632-1975, 905-878-0955
Fax 905-632-0778
Email: office@cdhalton.ca
Web: www.cdhalton.ca
www.volunteerhalton.ca



Tax Harmonization Takes Food Off The Table

Burlington, March 27, 2009 – Community Development Halton (CDH) is deeply concerned about the Ontario Government's plans for harmonizing the Provincial Sales Tax and the Federal Goods and Services Tax. People on social assistance cannot afford to lose ground as cash is taken out of their pockets for increased taxes on things like gas, electricity, and transportation leaving them with less for food and other necessities.

CDH fears that the rebates and tax credits proposed in the budget to offset the increased taxes resulting from the harmonization scheme will not be sufficient to minimize the impact on low-income people.

Ted Hildebrandt, CDH's Director of Social Planning, stated: "I am not optimistic. My initial conclusion about harmonization is that it will take food off the table." For example:

- Single adults will get a \$300 rebate in 2010, when the harmonized tax is introduced as a transition to the new tax regime. This is a one-time rebate that does not extend beyond 2010. Further, this payment to single adults is \$700 less than couples and families with household incomes less than \$160,000.
- In 2011, the maximum sales tax credit will increase to \$260 from its current rate of \$100, to be paid quarterly. This additional \$160 amounts to only \$13 per month to cover tax increases for major cost areas that will be affected by harmonization such as gas and electricity and a range of other services not currently incurring a PST charge.

Joey Edwardh, Executive Director of Community Development Halton said: "As the bills come in and the rent is due, money for food becomes discretionary. In our Halton communities, hunger and eating poorly creates a tragic situation which affects the long term health of people, the capacity of children to learn and lost economic productivity through disability and absenteeism."

CDH recognizes that the provincial budget does make provision for a 2% increase in social assistance rates but CDH points out that this increase does not move people on social assistance to Statistics Canada low-income cut off. It does not even keep pace with the rate of inflation for food. The Association of Local Public Health Agencies (alPHa) reports that the costs of a Nutritious Food Basket increased by 3.2% between 2006 and 2007.

CDH and other community leaders across Halton have promoted the introduction of a \$100 monthly Healthy Food Supplement for adults on social assistance as a central part of a poverty reduction strategy. Regrettably, the 2009 provincial budget does not include this measure. As Hildebrandt emphasized: "The issue is having enough money on a monthly basis to afford the basic necessities of life including food and rent. More and more people in our Halton communities are making the connection between food, health and poverty."

For more information, contact:
Dr. Joey Edwardh
Community Development Halton
(905) 632-1975

For Immediate Release
March 27, 2009
