



# 2009 ONTARIO BUDGET

## Confronting the Challenge

*Building Our Economic Future*

Highlights

Ontario is in the grip of a global economic crisis. Together, we need to do everything we can to help our people get through these difficult times and build a stronger Ontario for the future.

The 2009 Budget helps Ontario families weather the economic storm. But it does much more than that. This Budget will make Ontario's economy stronger and more competitive, so that when prosperity returns, families and businesses benefit.

### Jobs Today

This Budget invests in infrastructure and skills training to create jobs and help Ontario workers get the skills they need to succeed. We are:

- ▶ Allocating \$32.5 billion to improve the hospitals, roads, social housing and schools that our families – and our economy – depend upon. This two-year investment will create and support more than 300,000 jobs
- ▶ Providing new skills training and literacy opportunities for tens of thousands of Ontarians, including those who have been laid off, through \$700 million in new support
- ▶ Giving young Ontarians new opportunities by proposing to make Ontario's Apprenticeship Training Tax Credit the most generous in Canada, and helping 100,000 students get summer jobs this year
- ▶ Supporting businesses and workers in the agriculture, forest products and mining industries with \$130 million over the next three years.

[www.ontario.ca/budget](http://www.ontario.ca/budget)

### Investing in Children and Families

This Budget supports the most vulnerable Ontarians in these challenging economic times. We are:

- ▶ Helping low- and middle-income families by nearly doubling the Ontario Child Benefit from \$600 to a maximum of \$1,100 per child per year starting this July
- ▶ Doubling the Senior Homeowners' Property Tax Grant, as announced in the 2008 Ontario Budget, so that low- and middle-income seniors living in their own homes will get \$500 in support for their property taxes, which will help more than 600,000 seniors over the next five years
- ▶ Working with the federal government to invest \$1.2 billion over the next two years to construct and retrofit affordable housing units
- ▶ Increasing Ontario Works and Ontario Disability Support Program benefits
- ▶ Helping low-income tenants avoid eviction by providing more than \$5 million annually in stable funding for municipal rent banks.

[www.ontario.ca/budget](http://www.ontario.ca/budget)

### More 2009 Ontario Budget Information

General inquiries regarding the 2009 Ontario Budget should be directed to:  
Budget Hotline

English and French inquiries:  
Toll-free: 1-800-337-7222  
TTY toll-free: 1-800-263-7776

For electronic copies of this document, visit our website at: [www.ontario.ca/budget](http://www.ontario.ca/budget)

Printed copies are available free from:

ServiceOntario Publications  
777 Bay Street, Market Level  
Toronto, Ontario M5G 2C8

Telephone: 416-326-5300  
Toll-free: 1-800-668-9938  
TTY toll-free: 1-800-268-7095

[www.serviceontario.ca/publications](http://www.serviceontario.ca/publications)

Disponible en français  
© Queen's Printer for Ontario, 2009



## Jobs Tomorrow

The McGuinty government is making Ontario's economy more competitive, which will lead to job creation and ensure that, as prosperity returns, Ontario families and businesses benefit.

We are helping develop new opportunities in the green economy by:

- ▶ Investing \$250 million in a new Emerging Technologies Fund
- ▶ Providing \$50 million over five years to encourage the development of a smart electricity grid
- ▶ Developing a new \$5 million Green Jobs Skills Strategy so that Ontarians have the skills they need to seize new opportunities in the emerging green energy sector.

We are investing in innovation by:

- ▶ Providing \$100 million in new support for biomedical research
- ▶ Helping turn Ontario ideas into Ontario jobs with \$50 million for the Innovation Demonstration Fund
- ▶ Building much-needed research infrastructure with \$300 million over six years.

Ontario's entertainment and creative industries employ hundreds of thousands of Ontarians. That's why we're providing approximately \$100 million per year in proposed tax relief and \$30 million in additional supports to these industries.

## Comprehensive Tax Reform Package

Ontario is proposing a comprehensive tax reform package that includes moving to a single, value-added sales tax on July 1, 2010, and providing tax relief for people and business.

To help families adjust, we would:

- ▶ Exempt books, children's clothing and footwear, diapers, children's car seats and car booster seats and feminine hygiene products from the eight per cent provincial portion of the tax
- ▶ Ensure that newly constructed homes under \$400,000 would not be subject to an additional tax burden. Buyers of new homes valued between \$400,000 and \$500,000 could also claim a proportional rebate.

To help people and families adjust to the new single sales tax, the government would provide permanent tax relief and direct payments:

- ▶ 93 per cent of Ontario taxpayers would pay less personal income tax
- ▶ Eligible families with an income below \$160,000 would receive three payments from the provincial government, totalling \$1,000
- ▶ Eligible individuals with an income of less than \$80,000 would receive three payments totalling \$300
  - ▶ The first payment would arrive in June 2010, the second in December 2010 and the third in June 2011
- ▶ The provincial government would also provide:
  - ▶ Permanent tax relief for people with low and middle incomes through one of the most generous refundable sales tax credits in Canada. This new credit would provide up to \$260 per year for each adult and child
  - ▶ A 16.5 per cent cut in the tax rate on the first \$36,848 of taxable income earned by all Ontarians.

To help businesses become more competitive, the government would provide tax cuts, especially to small businesses. These tax cuts would lead to more jobs and a stronger, more competitive economy. Beginning July 1, 2010, we would:

- ▶ Cut the Corporate Income Tax (CIT) rate for small businesses by 18 per cent
- ▶ Cut the general CIT rate by 14.3 per cent. It would be further reduced by 16.7 per cent over the next three years
- ▶ Cut the Ontario manufacturing and processing rate — which includes businesses like farming, fishing, mining and logging — by 16.7 per cent
- ▶ Exempt more small and medium-sized businesses from the Corporate Minimum Tax and cut the rate for large businesses by 32.5 per cent.

In addition, we would eliminate the small business surtax — Ontario would be the only jurisdiction in Canada to end this barrier to growing small businesses.