

Ontario PCs announce tax rebate for up to \$6,750 of child-care costs ^[1]

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EXCERPTS

Ontario's Progressive Conservatives announced Saturday that if elected in the province's spring election, they will cover up to \$6,750 of childcare costs for Ontario families through a tax rebate program.

Tory MPP Laurie Scott announced the plan in a media release, which promises tax breaks for multiple forms of care, including babysitters, nannies, licensed operators and independent child-care providers.

Low-income families would receive 75 per cent of their child-care costs back, at a maximum of \$6,750; higher income families would receive an incrementally lower rate, bottoming out at 26 per cent of child-care costs for families earning \$150,000 or more.

The plan is similar to the one proposed by the PCs in November, when the now-ousted leader Patrick Brown produced a 78-page platform dubbed "The People's Guarantee."

Tory leader Doug Ford has at times distanced himself from that document, but Saturday's tax rebate announcement is another example of Ford taking a page from Brown's platform.

The announcement was different from Brown's in that it didn't commit to providing funding for 100,000 new childcare spaces.

The pledge comes one month after Premier Kathleen Wynne released the Liberal party's child-care plan, which would provide free care for preschoolers aged two-and-a-half and older, until they reach kindergarten.

Ontario's New Democrats say they would provide free child care for all families earning less than \$40,000 a year, and would aim to have child-care costs averaging \$12 per day for all other families.

The Tories say their plan to offer relief through tax rebates is better because it puts money back into the hands of Ontarians.

But Linda White, a child-care policy expert and a professor at the University of Toronto, said the mix of a rebate and a lack of funding for new spaces could cause concerns over whether demand will outpace supply.

"It's not clear how this would spur demand for child care and what impact that would have," said White, who added that she had similar concerns for the NDP plan.

"If it increases demand, without addressing the scarcity of supply, then what in fact it could do is drive up prices."

Scott said the concerns over demand are the reason why the Tories decided to allow unlicensed operators, babysitters and nannies to be part of the rebate. White said the NDP and Liberal plans only cover licensed operators.

"It's more flexibility, because there's not as much spaces ... in some parts of the province," said Scott.

Scott added the tax rebate will run alongside the current federal and provincial programs that help fund child care for lower income families.

The Tory plan would go into effect as early as 2019 if Ford is elected as Premier -- a year earlier than the Liberal plan for free licensed daycare would go into effect.

Ontarians are set to vote in the provincial election June 7.

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