

Ontario budget 2012: Andrea Horwath insists on surtax for wealthy ^[1]

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EXCERPTS:

The prospects of another Ontario election are hinging on whether Premier Dalton McGuinty agrees to the NDP push for a surtax on incomes over \$500,000 a year.

"I stand firmly on the side of having millionaires pay a little bit more if it means saving daycares," New Democrat Leader Andrea Horwath said Wednesday.

She and McGuinty squabbled about the cost of her demands for supporting the minority Liberal government's budget - and avoiding a second election since October given that Progressive Conservatives have vowed to vote against the fiscal blueprint.

McGuinty complained Horwath's plan to preserve child care spots, raise support payments for the disabled, scrap the provincial portion of the HST and other measures would add \$1 billion to this year's \$15.2 billion deficit.

"Where specifically should we cut in order to afford that new \$1 billion in annual spending?" said the premier, struggling to balance the budget by spring 2018 and avoid a costly credit-rating downgrade.

Horwath said she was "taken aback" at the premier's scoffing and countered their proposals - 20 in all by McGuinty's count - could be paid for by the wealth surtax with \$30 million to spare.

That yawning gap will be the subject of backroom talks on a potential budget deal in the coming days between Government House Leader John Milloy and his NDP counterpart, Gilles Bisson.

The NDP surtax plan would raise \$570 million, Horwath insists, although Finance Minister Dwight Duncan puts the number at \$440 million. Either way, the tax is pivotal to negotiations because the revenue from it is needed to pay for the New Democrat proposals.

"The ball is now in the court of the government, now they have some serious choices to make," said Horwath. "If the premier comes up with all kinds of ways to make sure that all kinds of other things that we've asked for get done, then that's the conversation we'll have."

Milloy said the press releases and a handful of background pages given to the media were the most detail he has seen on the NDP proposals, many of which were recycled from the party's campaign platform last fall.

"We've got a bit of time, so we'll keep talking, he added.

Debate on the budget is slated to end by April 24. If the government is defeated that day or the next, an election would be held about a month later at a cost of almost \$100 million.

-reprinted from the Toronto Star

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