On Wednesday, February 10th, 2010, I had the privilege as one of the invited guests from Apsley ABC Seniors, of attending one of the bi-monthly meetings of the Glen Alda Seniors group, held at their community center. The occasion was to participate in a meeting with MPP Rick Johnson, their guest speaker on this special occasion. Mr. Johnson was cordially invited by Glen Alda Seniors, President, Jim Dudley, to attend their luncheon and afterwards, speak on the subject of the new HST (Harmonized Services Tax) in addition to addressing the Emergency Medical Services (ambulance) procedures.

The following is a select brief of the content of the message delivered and a question [Q] and answer [A] response following the meeting with the provincial Haliburton-North Kawartha-Brock representative.

Ontario government has seen fit to invest in infrastructure. Of the current huge deficit $26 billion dollars, $16 billion has been set aside for improvement of bridges and roads in Ontario, $4.5 billion to bail out GM (promises to have this paid back by June 2010), and $6 billions dropped from corporate taxation.

The HST is a re-structuring of the tax base in Ontario. Tax cuts came into effect January 1st, 2010. On the first $37K of Ontario individuals income, income tax is being reduced by 17%. If you currently are eligible and receive the Federal GST grant, you will receive provincial grant of $260 per person. Couples or families will receive $1000 annually. Seniors property tax credit has doubled from $250 to $500. With the HST being implemented, there will be ‘rebates’ provided. The Ontario government is ‘hoping’ the overall ‘balances’[?] Not intended to appear as another ‘tax grab’. The one time $1000 dollar check being offered to Ontario families represents the reimbursement on $12,000 worth of purchases. Federal government is ‘saying’ that the HST implementation is the right thing to do. Ontario government is not allowed to do non-partisan advertising on government projects any longer. Child benefit went from $550 annually to $1,100 per year.

Q How is the consumer benefiting from paying 13% on all goods and services where PST was formerly non-applicable?

A Businesses will be able to claim back the PST portion of the HST (annually tax time) they have paid in to conduct their individual operations. If they are fair, they should pass on their savings to their customers in the form of lower cost materials and labor rates. Ontario customers will have to be vigilant in ensuring they are receiving respectable reductions!

Q If a retired senior living on a pension, RSP, RRIF, or other type of investment portfolio is forced to withdraw extra funds in order to sustain a normal day to day lifestyle, they will be lowering the principle on which their investment is gaining interest. How is the Ontario government annual rebate supplement to benefit the individual in the long term since it cannot be re-invested effectively with any degree of short-term interest benefit.

A Tax breaks and rebates are being already implemented to cushion the impact of the implementation of the HST scheduled to come into effect as of July 2010.

[ Comments on subjects of this column are welcomed at YRU4FUBAR@hotmail.com ]