The Ontario Alternative Budget 2001

Pre-budget Analysis

Ontario Alternative Budget Working Group

Canadian Centre for Policy Alternatives/Ontario

Pre-budget analysis

by the Ontario Alternative Budget Working Group

Ontario Alternative Budget
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Introduction and summary

Mike Harris has been working very hard in the past six weeks to convince the people of Ontario that the only way out Ontario's financial problems is to privatize health care and starve the education system into submission.

That is not true.

If Ontario were simply to delay the corporate tax cuts scheduled for this year and next, there would be no reason even to think about privatization of the health care system. Furthermore, elementary and secondary education funding could be increased this year by enough to avoid the further disruption to our children's education that is inevitable if new funding is not provided.

Six years of the Harris Government's "tax cuts first" fiscal strategy has left Ontario with dramatically reduced fiscal capacity, a substantially higher public debt, and an enormous public services deficit.

To this point, the government has been able to get away with misguided strategy by a relying on rapidly-growing economy and by a political smokescreen created by various high-profile "restructuring" initiatives.

For the 2001-2 budget, neither of these factors is working in the government's favour. On the economic front, the slowdown in the US is having its predictable impact on revenue growth. On the political front, the gaps in public services — between rhetoric and reality; between requirements and delivery — are becoming more obvious every day.

This study documents the impact of six years of Harris government on public finance in this province, and sketches out three possible courses of action:

- What the Government ***should*** do to begin to address the problems its policies have created;
- What the Government ***could*** do to manage its way through the economic slowdown without causing further damage; and
- What the Government ***is likely*** to do, given its public statements to date.

In setting out what the Government ***should*** do, we identify options for strengthening the revenue base of the province to enable it to rebuild public services. Details of the spending program will be set out in the Alternative Budget, to be released shortly after the official budget is tabled on May 9, 2001.

Our analysis shows that the Government ***could*** protect public services from any further deterioration in the economic slowdown simply by suspending further tax cuts.

Based on the Government's public statements and announcements leading up to the budget, our analysis suggests that the Government ***is likely*** to persist in cutting taxes, paying for the cuts by widening the gap between need and delivery in education, imposing further financial pressures on an already-cash-strapped health care system, selling off assets, allowing our public infrastructure to continue to decline and leaving the poor to fend for themselves as the economy weakens.

Fiscal Capacity

The government has always been careful to frame its policies as efforts to improve the efficiency of government and its tax measures as improving competitiveness, its real objective has been to reduce the role of government in the economy.

The attack on fiscal capacity has been particularly effective.

As the government never tires of saying, it has cut taxes repeatedly throughout its nearly six years in office. The personal income tax accounts for the largest share of the tax cuts implemented to date. Personal income taxes were cut by 30% in the government's first term of office. A further 20% cut promised for the second term has not yet been fully implemented.

Although much less visible, here has been a lot of activity on the corporate side as well. In the first term, corporate tax cuts consisted of large numbers of small write-offs and other tax exemptions for corporations. Rates were largely left unchanged. The second term tax plan features substantial reductions in tax rates for all corporations. In fact, in the remaining two years of its second term, corporate tax cuts will dwarf personal tax cuts.

Ontario's corporate tax cuts are listed, in detail, in Appendix A.

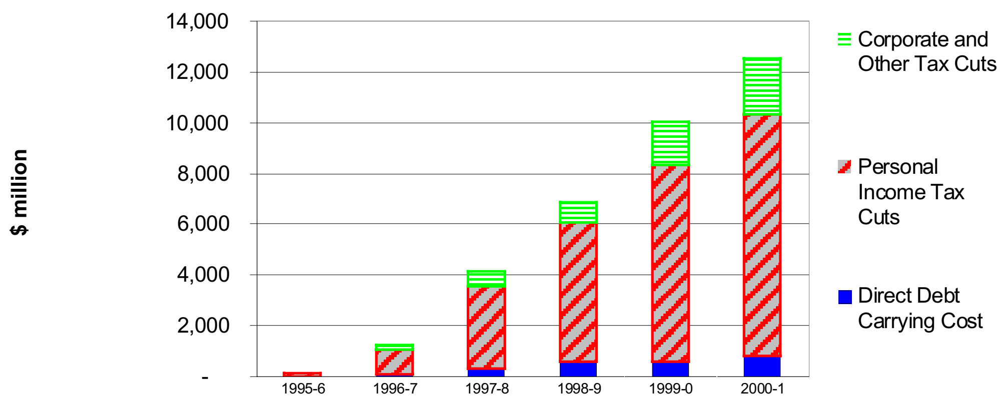
The total impact of Ontario's tax cuts on this province's fiscal capacity has been dramatic.

In fiscal year 2000-1, we estimate that Ontario's revenue base was reduced by a total of $11.7 billion — $2.2 billion from corporate tax cuts; $9.5 billion from personal income tax cuts.

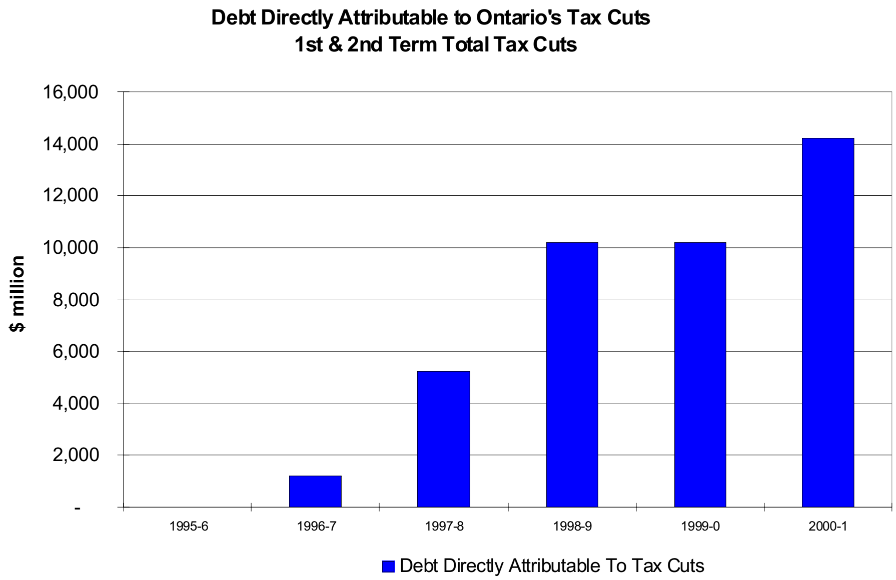
From the election of the Harris Government in 1995 until the end of fiscal year 2000-1, tax cuts had reduced public revenues by a cumulative total of $32.3 billion.

Annual Tax Cut Impact on Fiscal Capacity in Ontario

Debt Carrying Cost and Revenue Loss



	1995-6	1996-7	1997-8	1998-9	1999-0	2000-1
Corporate and Other Tax Cuts	-	136	553	796	1,715	2,182
Personal Income Tax Cuts	113	1,006	3,245	5,475	7,732	9,507
Direct Debt Carrying Cost	-	85	327	585	585	817



Debt

The loss in revenue tells only part of the story. Because the Government cut taxes at a time when it had to borrow funds to cover its costs, a substantial proportion of the revenue shortfall from the cuts each year has been paid for with borrowed money. By the end of 2000-1, the amount of additional debt directly attributable to Ontario's tax cuts had grown to more than $14 billion. The estimated carrying cost for that portion of Ontario's debt is more than $800 million a year.

Public Services

The effect of six years of Mike Harris Government on public services in Ontario is evident, in the aggregate and in the details.

Program and capital spending and GDP

Since the Harris Government was elected in 1995, public services spending in Ontario has declined from 14.7% of GDP – just slightly below the 20-year average at that time of 14.8% — to 12% in 2000-1.[1] The ratio is projected to drop below 12% before the end of this term of office.

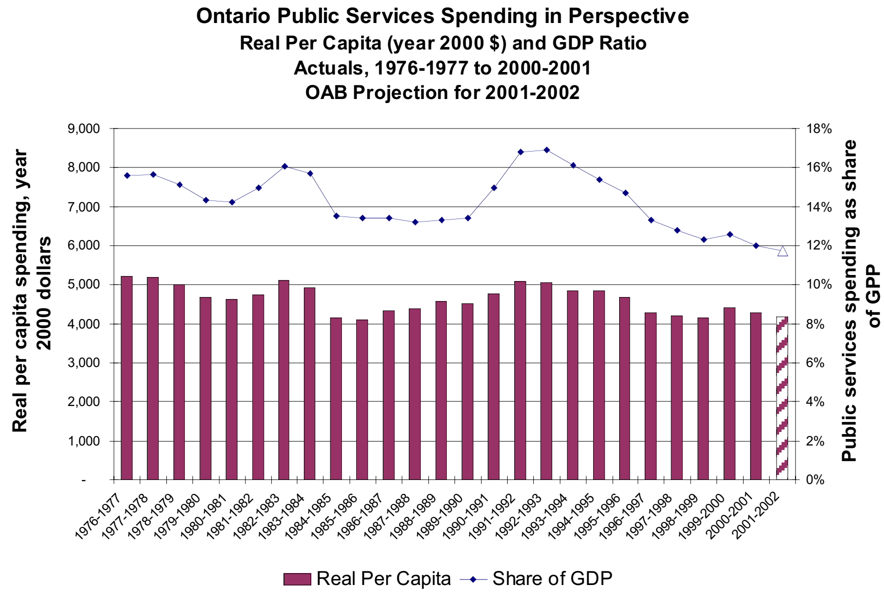
Real public services spending per capita is now more than $500 below its 25-year average level of approximately $4,600.

Health

Nowhere is the impact of the Harris Government's spending cuts been more apparent and more controversial than in health care. And only in health care has the Harris Government been forced to abandon its stonewalling approach to complaints about the impact of its policies on the quality of public services.

Indeed, the Government has been on a public relations offensive for more than a year, setting targets for increasing public spending on health and congratulating itself on achieving those targets.

1 In calculating these ratios, program and capital spending has been adjusted to reflect full implementation of local services restructuring.



Despite this effort, however, the public has had considerable difficulty squaring the claim of increased spending with the evidence on the street of overcrowded emergency facilities, long waiting lists and patients being sent to the United States for treatment.

While it is true that budgetary spending on health was nearly $5 billion higher than it was when the Government took office, that increase only barely covers inflation, population growth and the impact of ageing on health care costs.

A CCPA/OAB Technical Paper released in April, 2001 takes a hard look at the numbers, and reaches conclusions which are radically different from the self-serving spin of the Harris Government.

- Taking into account inflation, population growth and an aging population, Ontario is not only not spending more on healthcare: it is not keeping up. The cumulative health deficit since 1995 adds up to $4.1 billion today.
- Looking into the future, the Harris commitment to "raise" health spending to $22.7 billion by 2004 actually represents a real cut of $212 dollars per person compared to 1995. Population growth, inflation and aging population continue to eat away the value of Ontario's health dollar.
- Ontario has 25,000 fewer health care workers today than it had in 1995! Despite the fact that our population has grown by 750,000 people, Ontario has shed one health care worker in twelve under Mike Harris.
- In 1995, Ontario had 26 healthcare workers for every 1000 people. Today, after 7 years of Harris cuts, we have 22 health staff per thousand people.
- If staffing ratios had been maintained since 1995, Ontario would have *added* 45,000 more hospital and long-term care staff than we have today.
- Out-of-pocket spending by Ontarians on private healthcare has increased by $209 per person, to a new total of $1,012 for

every man, woman and child. This represents $2.4.billion a year spent outside the medicare system on privatized health services.

Elementary and Secondary Education

The Harris Government's spin doctors have made a specialty of developing Orwellian phrases to describe their dramatic cuts in public services.

The description of its education finance reforms as "student focused funding" is a leading example.

The Government recently announced what it described as an increase of $310 million in funding for elementary and secondary education for the school year 2001-2, claiming total spending of $13.8 billion.

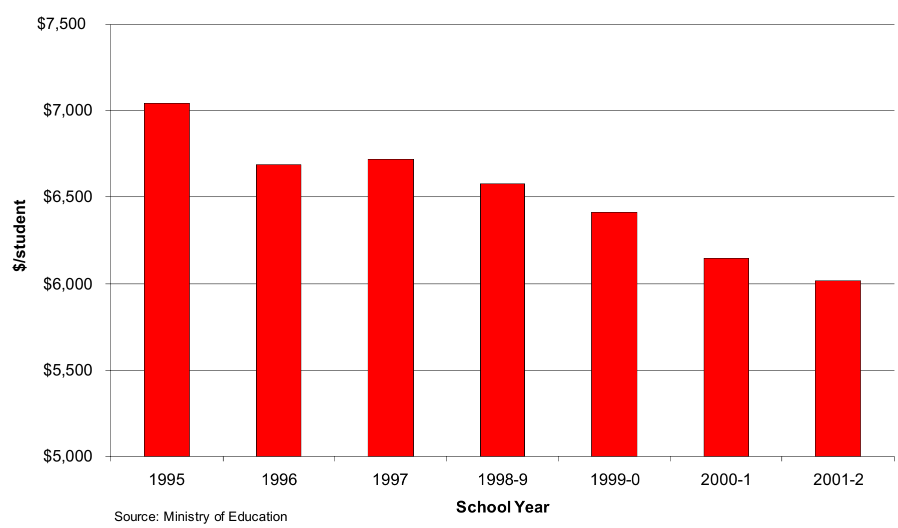
The announcement left people in the education system wondering where the numbers came from. Last year's spending was originally set at $13.4 billion in March, 2000 and a further $190 million was announced in the 2000 Budget, for a total of $13.6 billion for 2000-1. But even ignoring the Government's little problem with arithmetic, the increase doesn't even keep pace with inflation, much less cover enrolment growth.

Despite widespread evidence that the education system under extreme financial stress, the government has decided to continue its pattern of reducing funding, year after year, on a real per student basis.

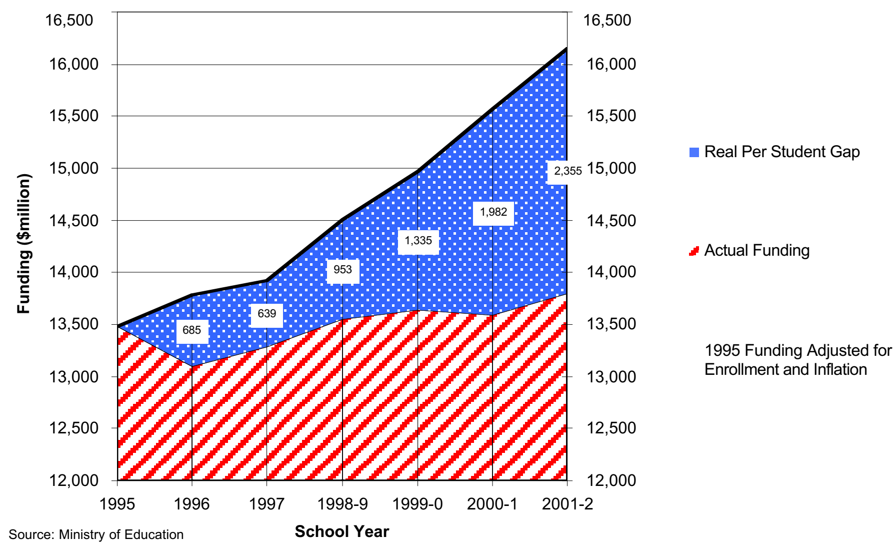
Under the Harris Government's "Student focused funding" approach, public spending per student, adjusted for inflation, has been reduced by nearly $1,200.

According to the Ministry of Education, total spending on education programming and capital by school boards in 1995 was $13.5 billion. Just to keep pace with inflation and enrolment growth, funding would have had to increase to $16.2 billion. So the Government's 2001-2 funding level represents a cut of roughly $2.4 billion.

"Student-Focused Funding" – $ Per Student Adjusted For Inflation
Total Funding Per Student in $ 1995, 1995 to 2001-2



Elementary & Secondary Education Funding 1995 to 2001-2



Post-Secondary Education

Ontario's funding for college and university operations is the lowest in Canada, measured on a per capita basis – less than 75% of the national average.

Funding per student in 2000-1 is 17% less than it was in 1995-6 – a reduction of $1,307 per student. As a result, tuition fees and associated student debt have risen well above the level at which costs become a significant barrier to access to education. Tuition fees have increased by an average of $1,394 per student since 1995-6. This almost exactly matches the reduction in government operating grants, but leaves nothing to contribute towards increased cost pressures.

Overall, funding is down $255 million – in real dollars – since 1995-6.

The gap between need and delivery in the post-secondary education sector has implications for this province that go far beyond the hardship caused to students and their families. As the government itself keeps saying, in the "new economy", a well-educated, productive workforce is critical to our economic future. The Harris Government's disinvestment in education runs directly counter to its own rhetoric about the need to build a stronger, knowledge-based economy for the future.

Many of the jurisdictions in the United States with which the Harris Conservatives have a very different view of the importance of post-secondary education.

Between 1995-6 and 1999-2000, the State of Illinois increased its funding for higher education by 28%; Michigan by 24%; Ohio by 24%; and Pennsylvania by 15%. In the same period, Ontario reduced its funding by 8%.

Housing

One of the Harris Government's first acts in office was to cancel every affordable housing project that could be cancelled without incurring legal liability. More than 17,000 planned co-op and non-profit housing units were simply wiped off the books.

From that disastrous beginning, Ontario's commitment has been moving steadily backwards, into the 19th century.

No new affordable housing has been built in Ontario since Harris was elected: no co-op housing; no non-profit housing; and no housing in the public sector. The government even washed its hands of the existing public housing stock by downloading it to municipalities. As a result, cash-strapped municipal governments have inherited a substantial housing portfolio in a bad state of repair and without the financial resources even to bring the existing stock up to standard, much less add to it to meet the need.

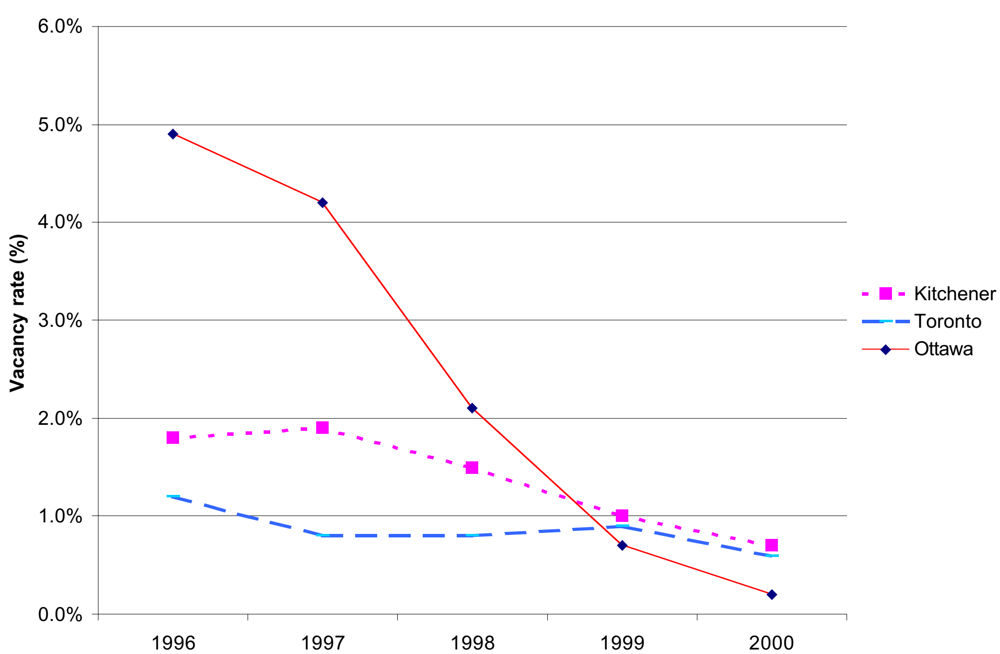
Canada Mortgage and Housing Corporation estimates that Ontario currently has a shortage of 74,000 affordable housing units. And that total will only grow as the population grows and rents continue to escalate out of control.

It is perhaps not surprising that the Harris Government has abandoned public sector housing, given its ideological position. But despite its often-stated commitment to using the private sector to provide affordable housing, the government has consistently acted to reduce the supply of affordable housing available in the private sector as well.

It cancelled more than 3,000 rent supplement agreements – 20% of the total.

It repealed laws that protect existing private rental housing from demolition or conversion to condominium and gutted rent control and other tenant protection laws. As a result, Ontario's rental housing market is actually shrinking. More than 60,000 tenants a year receive eviction notices.

Rental Housing Vacancy Rates Under Harris
Major Urban Areas in Southern Ontario, 1996 to 2000



There is virtually no development activity in the private rental sector. Overall, the rental vacancy rate is only 1.6%, down from the 1999 figure of 2.1%. Three communities in Ontario have vacancy rates below 1%: Toronto; Ottawa; and Kitchener.

With private sector rents soaring without rent control, it cut the shelter allowance portion of welfare cheques by 21.6% — 30% in today's dollars.

The consequences are evident everywhere in this province. More than 300,000 tenant households – one in every four – teeters on the brink of homelessness.

Homelessness is soaring in every major urban area in Ontario.

- Hamilton, 35% increase from 1998 to 2000;
- Kitchener-Waterloo, 1,500 to 2,000 people homeless in 2000;
- London, 22% increase in shelter usage from 1995 to 1999;
- Ottawa, 800 people in homeless shelters every night;
- Toronto, 25% increase in homelessness from 1994 to 1999 – 30,000 annually; 44% increase in number of homeless children; adjusted for population, 15.8% more homeless in Toronto than in New York.

For the first time, homelessness has moved well beyond Toronto and other major urban centres. Homeless shelter usage has soared in communities like Barrie and Peterborough. Even Oakville has opened a homeless shelter.[2]

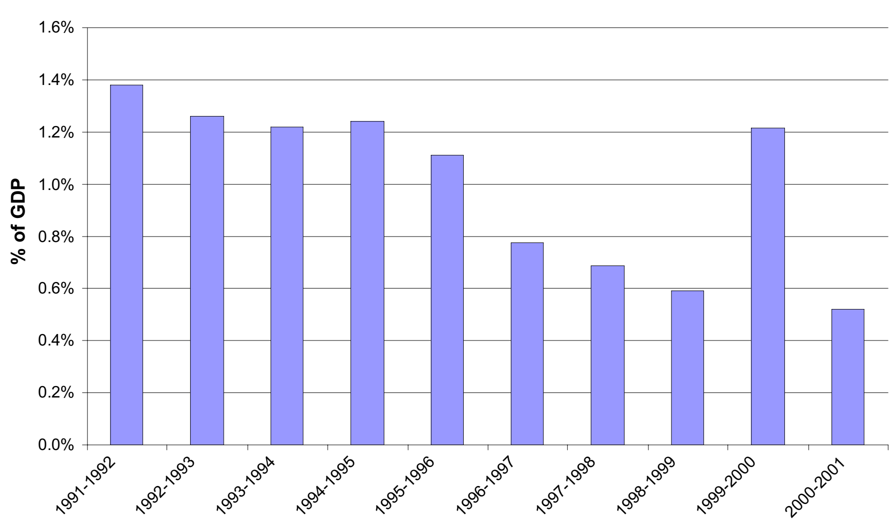
Capital spending

Capital spending is a fraction of what is needed to maintain Ontario's physical infrastructure. In 1994-5, the year before the government took office, capital spending was $3.8 billion. By 2000-1, it had dropped to $2.2 billion.

As a share of GDP – an appropriate measure of need – capital spending has declined

[2] Source: "Made-in-Ontario housing crisis", Ontario Alternative Budget 2001 Technical Paper #12, April 2001.

Capital spending and GDP



from 1.2% of GDP in 1994-5 and 1.1% in 1995-6 to 0.5% in 2000-1.

Except for the election year of 1999-2000, capital spending has declined steadily as a share of GDP ever since the government was elected.[3]

This level of capital spending does not even come close to meeting Ontario's needs.

Environmental protection

After roads, Ontario's environmental protection infrastructure shows the most visible signs of deterioration as a result of this province's disinvestment in capital projects. Evidence emerging at the Walkerton Inquiry shows that a substantial proportion of Ontario's water treatment plants are performing below standard.

Environmental regulation was effectively crippled by the 40% cut in the Ministry of Environment's budget in the Government's first year in office, and has not yet recovered. Even with the panic-induced spending increases resulting from the Walkerton water crisis, the Ministry of Environment is incapable of monitoring compliance with Ontario's environmental laws.

Welfare

Social assistance was slashed by 21.6% within two months of the 1995 election. Since Mike Harris' Tories were elected, families on social assistance that haven't been completely cut off have lost more than 30% of their purchasing power.

A 30% reduction in living standard in five years would be devastating for a middle-income family. For the most vulnerable in our society, coping with the loss of rent control and a critical shortage of affordable housing, the impact is catastrophic. The year 2000 was supposed to be the year Canada eliminated child poverty. In Ontario, child poverty is higher than it has ever been.

What the Government should be doing

Ontario does not have a public spending crisis. Ontario has a revenue crisis, one that was created deliberately by the Harris Government. And Ontario has a public services crisis – a growing gap between the needs of a modern economy and society and the government's ideologically motivated attack on public services.

The full Ontario Alternative Budget, to be published shortly after the official budget is tabled on May 9, 2001, will spell out in detail a plan to reinvest the funds necessary to rebuild public services in this province in the wake of the damage caused by the Harris Government.

The first step must be to re-establish the revenue base necessary to pay for the public services we need.

Even after six years of the Harris Government's concerted efforts to undermine Ontario's fiscal capacity, we have an array of viable options for rebuilding our ability to finance the public services we need.

[3] The 1999-2000 budget front-end loaded approximately $2 billion in extraordinary capital expenditures in health care and post-secondary education. Front-end loading of multi-year expenditures also helped the government avoid the embarrassment of running a big surplus in 1999-2000 followed by a potential deficit the next year.

Personal Income Tax

Leaving the basic rate and surtax rate structure in place, Ontario's personal income tax system could raise substantial additional revenue by adding new tax rate brackets for very high income individuals.

In the current system, the top marginal tax rate is 11.16%, beginning at an income of approximately $62,000. A package of changes that would see a new tax rate of 12% on income above $75,000; 13% on income above $125,000 and 14% on income above $250,000 would generate approximately $1.2 billion in additional revenue.

A taxpayer with a taxable income of $100,000 would pay an additional $210 in tax.

A taxpayer with a taxable income of $200,000 would pay an additional $1,800.

Employer Health Tax

When the Ontario Employer Health Tax (EHT) was introduced in the late 1980s as a replacement for OHIP premiums, it included a graduated rate structure. The rate was 0.98 per cent for employers with total payrolls of less than $200,000, increasing on a graduated scale to 1.95% on payrolls exceeding $400,000.

It was the only payroll tax levied in Canada with a graduated rate structure. In its analysis of the tax, the Ontario Fair Tax Commission concluded that the graduated structure in place at the time was not appropriate. Although it was presumably designed to provide relief to small business, benefit from the rate structure concession actually bore very little relationship to the size or nature of a business or its ability to pay the tax.

In its first budget, the Harris Government compounded the unfairness. It replaced the graduated structure with a blanket exemption for the first $400,000 of annual payroll.

In addition to the problems of fairness and targeting of the EHT exemption, there is a further problem in principle. Public health insurance is not only a major benefit to Canadian individuals and families, it is also a significant competitive advantage for Canadian business. The EHT is the only tax levy that reflects in any way that competitive advantage, and in fact covers only a fraction of the cost of OHIP.

Eliminating the Harris Government's EHT exemption give-away and moving to a single rate of EHT would raise an additional $950 million.

Tobacco taxation

In the early 1990s, the tobacco industry persuaded the Government of Canada that high taxes on tobacco products in Canada were giving rise to a massive increase in tobacco product smuggling. According to tobacco industry reports, a substantial proportion of the market for Canadian cigarettes was being taken up by Canadian manufactured cigarettes exported to the United States and smuggled back into Canada.

Despite widespread evidence that steady increases in tobacco taxation over the years had a real impact on smoking by young people, the Federal Government met the industry's request and reduced its taxes. But rather than simply lower federal excise taxes on cigarettes, the Federal Government chose to lever corresponding reductions in provincial taxes. In provinces which chose to lower their taxes, federal taxes would be reduced. In provinces which did not choose to give the industry a break, there would be no federal tax reduction.

Ontario reduced its taxes, as did Quebec. Other provinces either reduced taxes by lesser amounts, or did not reduce taxes at all.

It is now evident that this policy shift was a significant mistake. Evidence is mounting that tobacco use by young, firsttime smokers is on the increase. The promised dramatic reductions in smuggling activity did not materialize, and to the extent that smuggling has declined, the change has been attributed to other factors.

In April 2001, acting in concert with the Federal Government, Ontario increased its tobacco taxes by $2.00 per carton of cigarettes.

We estimate that change will increase revenue to this province by approximately $200 million.

Full restoration of tobacco taxation to its pre-cut level would raise a further $760 million.

Corporate income taxation

In each budget, the Harris Government has created new opportunities for tax avoidance by corporations. It has also reduced tax rates for both small and large businesses, at substantial cost to this province's revenue base.

The key changes are summarized in Appendix A.

Some of these changes are attached to activities that have a positive impact on the economy and, in some cases, on the community at large. The issue is not "is research and development a good thing". Rather, the issue is whether the tax system should be used in this way to promote these activities. On that question, the evidence is clear. The major impact of targeted tax concessions provided by sub-national governments is to reduce government revenue overall. They do not have a significant impact on real economic activity.

We believe that Ontario's corporate income tax system should be harmonized with the Federal corporate income tax.

This would involve the elimination of all tax delivered introduced by the Harris Government and rolling back other concessions that were already in the system when the government was elected.

Not all of this tax-delivered assistance would be completely eliminated. Certain measures aimed at promoting the development of Ontario-based cultural industries would be continued as grant programs.

These changes would raise an additional $910 million in 2001-2.

In the 1998-9, 1999-2000 and 2000-1 budgets, the Harris Government began its shift from personal income tax reductions to corporate tax rate cuts.

We believe that these changes moved in exactly the wrong direction. In the recovery from recession in Ontario and in Canada, corporate income has fared much better than the incomes of average families. Corporate profits have soared to record heights; real median family incomes are stuck at their late 1980s levels. We believe that it is important for corporations to make an additional, visible, contribution to addressing the problems in public finance in Ontario created by the recession.

Rolling back rate cuts would generate an additional $1 billion.

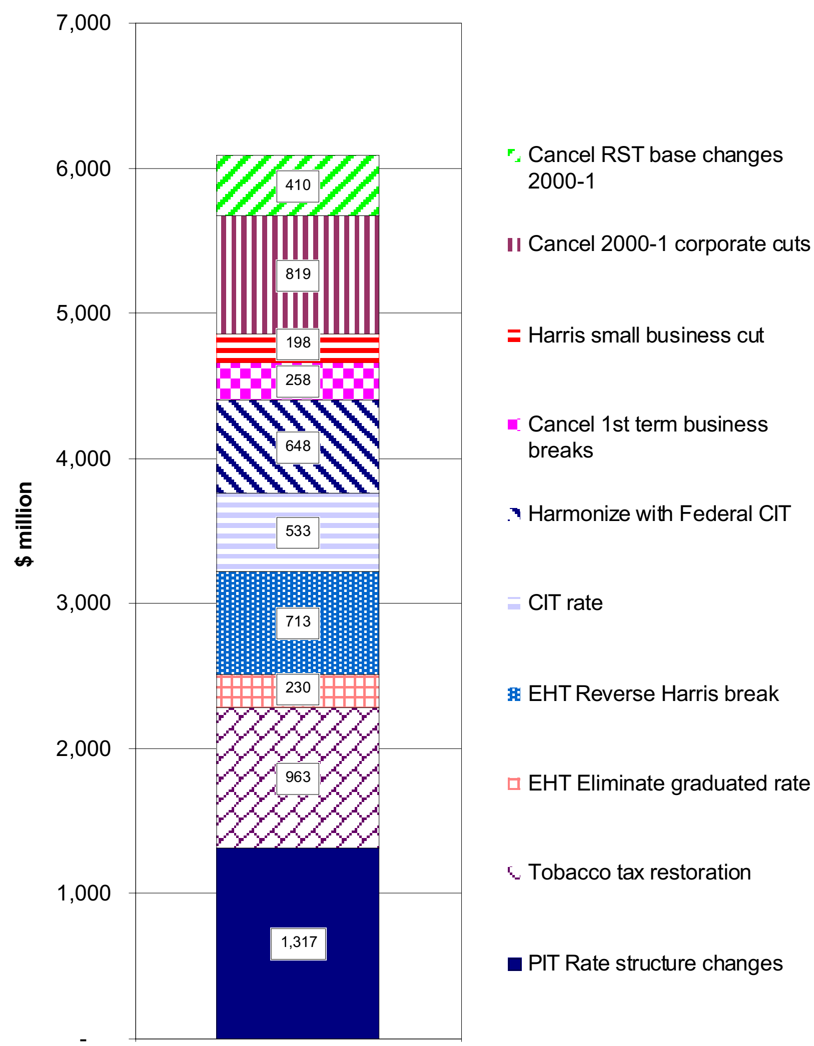
Each percentage point in corporate tax raises an additional $533 million.

Retail sales tax

In the 2000-1 budget, the government announced the elimination of the Retail Sales Tax on vehicle insurance premiums and warranty repairs. These changes will cost Ontario over $400 million in lost revenue, per year.

The revenue potential from these changes is summarized in the following chart.

Summary of Revenue Options for OAB 2001-2



What the Government could be doing

In "Manufactured Crisis", the Ontario Alternative Budget Working Group's 2001 fiscal options paper, we concluded that, based on then-current consensus private sector growth forecasts, Ontario would face a deficit of roughly $1 billion if the Harris Government proceeded with even its previously announced tax cuts. Tax cuts beyond those that have already been announced would cause the situation to deteriorate even further.

The Federal-Provincial agreement to increase tobacco taxes will ease the problem somewhat by raising an additional $200 million. However, there is no indication of any relief on the economic growth front. If anything, the outlook looks somewhat worse than it did in early April.

Suspending all tax cuts that have not yet taken effect would avoid this problem, and permit an increase in funding for public services averaging at the rate of inflation.

This would involve a decision to delay planned general and small business corporate tax cuts of one point each year and to suspend the phase-in of the planned reduction in commercial and industrial property taxation for education.

This would have little impact on the damage created by the Harris Government since it was elected. That would require fiscal capacity which this government is clearly not prepared to create. It would, however, make unnecessary the draconian measures the government has either already announced (the limit in education funding increase to a net $200 million) or has threatened (cuts to public funding for health services).

Suspending tax cuts will avoid further cuts and allow a modest public services recovery

What the Government is likely to do

With revenue growth weakened by Ontario's economic slowdown, the government faces a choice between proceeding with its tax cut program, with its attendant bogus rhetoric, and protecting public services from further harm.

It is evident from the 2001 Speech From the Throne and subsequent public statements that the Government considers its tax cut program to be a sacred cow.

With base line projections showing the emergence of a deficit if even previously announced tax cuts are implemented, an outline of what to expect in the Budget on May 9, 2001 is emerging.

Proceed with tax cuts

The Government will proceed with previously-announced tax cuts. To reassure those who might fear a loss of tax cut zeal on the part of the government, some additional tax cuts will be announced.

Change previous financial practices

In previous budgets, Ontario created in-year flexibility in its budget forecasts by using two reserve funds: a General Reserve ($1 billion in 2000-1) and a Management Board Contingency Fund ($1.165 billion in 2000-1). These reserves could be reduced, creating an apparent improvement in the budget bottom line. If this action were taken, the government would, in effect, be relying on the hope that growth will recover to support in-year flexibility.

Further real per student education cuts

The government has already signalled its intentions with respect to elementary and secondary education funding, with its announcement that funding will increase by less than the rate of inflation for 2001-2. The government may also be able to take advantage of a hidden source of revenue in the education portion of the local property tax by absorbing some of the revenue increase from growth in assessed property values as a result of reassessment.

Squeeze on health care spending

Health care has been singled out for special attention by the Government for cost control. We should expect health care funding to increase at less than the rate of inflation, and far less than the growth in service needs.

Asset sales

For the first time since the government used the sale of Highway 407 to bail itself out of a potential mess in election year 1999-2000, asset sales are back on the government's agenda.

In order for asset sales to affect the budget in 2001-2, however, they would have to proceed extremely quickly. Although the LCBO and TVO have been raised again as a possible sales options, each raises significant problems with (different parts of) the government's political activist base.

With no Highway 407 equivalent available, asset sales are likely to play only a very small role in the 2001 budget.

Reduction in capital spending

Capital spending is an extremely promising area for budget manipulation for the government, although the cuts since it took office have left it with relatively little to play with. A reduction compared with 2000-1 of $500 million to $1 billion is possible, although it would generate opposition from the municipal sector and raise questions about the government's post-Walkerton commitment to rebuilding water infrastructure.

Continue freeze on social assistance

The government appears to believe that it is immune from any public pressure resulting from the impact of higher energy costs on lower- and moderate-income families. The Government of Canada has provided some relief. The Province of Alberta has provided some relief. Ontario will likely keep social assistance rates at their current inadequate levels, despite cost of living increases.

Summary of budget expectations

- A base-line surplus (no tax cuts, spending increase at rate of inflation, normal reserve allowances) — (+$0.5 billion)
- Implementation of previously announced tax – (-$1.5 billion)
- New tax cuts – (-$1.0 billion)
- Budget freeze except for health and education — (+1.0 billion).
- Reduce reserve allocations — (+$0.25 to 0.5 billion)
- Increase education property taxes — (+0.1 to 0.25 billion)
- Reduced capital spending — (+$0.25 to $0.5 billion)
- Asset sales – (+$0.1 to $0.25 billion)

Appendix A -- Summary of Tax Changes Other Than Personal Income Tax		
Year and item	***Description of cut***	***2001-2 cost***
1996		
EHT exemptions	General	349
	Small business	40
Race Tracks Tax		93
Corporate Tax	Film incentive	7
	Co-op education tax credit	16
	Misc reductions	7
1997		
RST	R & D equipment for manufacturers	6
Land Transfer Tax	Non-resident rate	3
Corporate Tax	Ontario Business Research Institute Tax Credit	38
	Eliminate 5% tax on technology transfers	38
	Ontario New Technology Tax Incentive	13
	Ontario Computer Animation and Special Effects Tax Credit	13
	Film incentive enrichment	9
	Co-op education tax credit improvements	13
	Ontario Graduate Transitions Tax Credit	51
	Ontario Book Publishing Tax Credit	4
	Capital Tax Deduction for R & D Expenditures	1
	Improvements to Small Business Investment Tax Credit	76
1998		
Corporate Tax	Income Tax Cut for Small Business	337
	Workplace Child Care Tax Incentive	12
	Workplace Accessibility Tax Incentive	8
	Interactive Digital Media Credit	12
	Computer Animation and Special Effects Tax Credit	1
	Sound Recording Tax Credit	6
	Film Production Tax Incentives	6
	Film and Television Tax Credit Enhancement	8
	Community Small Business Investment Fund	6
	Commercial & Industrial Education Property Tax Cut	601
1999		
Corporate Tax	Capital Tax Exemption for Small Business	39
	Credit Union Capital Tax Exemption	4
	Ontario Film and Television Tax Credit Enhancement	11
	Ontario Interactive Digital Media Tax Credit Enhancement	1
	Computer Animation and Special Effects Tax Credit Enhance	1
	Technology Transfer Enhancement	23
	Innovation Tax Credit Enhancement	19
	Coop tax credit enhancement	11
	Ontario School Bus Safety Incentive	4
	M & P Tax Credit for Energy Generation	9
	Y2K Small Business Incentive	12
Gross Receipts Tax	Reduction	45
2000		
Corporate Tax	Capital Gains Cut to 62%	402
	Small business rate extension	20
	Educational Technology Tax Incentive	6
	Enhanced Film Tax Incentives	7
	Expanded Sound Recording Tax Credit	3
	Enhanced Book Publishing Tax Credit	2
	Expanded Interactive Digital Media Tax Credit	1
	R & D Super Allowance	4
Mining Tax	Reduction	21
Gross Receipts Tax	Phase Out	166
TOTAL CORPORATE TAX CUTS		2,588