

Ontario Helping First-time Homebuyers

Province projected to balance budget next year
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Ontario will help more people purchase their first home through a proposal to double the maximum Land Transfer Tax refund for eligible first-time homebuyers to \$4,000. The proposed increase is detailed in the 2016 Ontario Economic Outlook and Fiscal Review presented today by Finance Minister Charles Sousa. The increase would be effective January 1, 2017 and mean that eligible homebuyers in Ontario would pay no Land Transfer Tax on the first \$368,000 of the cost of their first home.

The 2016 Review highlighted how the government is making new investments in programs, services and supports that help people in their everyday lives. These include \$140 million in new funding that will help patients and their families receive better care and quicker access to services at every hospital across Ontario. As well, more families will benefit from an expansion of licensed child care with an investment of \$65.5 million this school year to support the creation of about 3,400 new spaces.

Ontario is projecting balanced budgets next year and the year after. The deficit is projected to be \$4.3 billion in 2016-17, in line with the 2016 Budget forecast. Ontario has a proven track record of beating its deficit targets, as demonstrated each of the past seven years. Most recently, Ontario's Public Accounts for 2015-16 reported a \$5 billion deficit, an improvement of \$3.5 billion from the 2015 Budget deficit projection.

The government's balanced plan to build Ontario to grow the economy and create jobs is working. The Province is expected to be among the leading economies in Canada over the next two years. For the first half of 2016, Ontario posted stronger growth in the gross domestic product than Canada, the U.S. and almost all other G7 countries. Exports are trending higher, businesses are hiring more workers and household incomes are rising. Ontario's labour market also continues to improve. More than 641,000 net new jobs have been created since the global recession and the unemployment rate is at an eight-year low.

As the economy continues to grow, the government is responsibly managing spending and ensuring revenue integrity by addressing the underground economy and maintaining tax fairness.

The government continues to build Ontario up for everyone through strategic investments.

New initiatives include:

Helping People in Their Everyday Lives

- Proposing to double the maximum Land Transfer Tax refund to \$4,000 for eligible first-time homebuyers, as of January 1, 2017.
- Rebating an amount equal to the eight per cent provincial portion of the Harmonized Sales Tax from the electricity bills of eligible residential consumers, small businesses and farms starting January 1, 2017; and enhancing the Rural or Remote Electricity Rate Protection program to provide eligible rural customers with savings of about \$45 per month, or \$540 a year, resulting in on-bill monthly savings of about 20 per cent on their electricity bills when combined with the eight per cent rebate.

Strengthening Health Care and Education

- Investing an additional \$140 million across all hospitals in the Province to support better care for patients and reduced wait times.
- Investing \$65.5 million this school year to support the creation of approximately 3,400 new licensed spaces for infants, toddlers and preschoolers as a next step in creating 100,000 additional child care spaces by 2022.
- Introducing the new dementia strategy that will build on current investments of \$85 million to enhance services for older Ontarians and their families. The Province is also consulting this fall to help improve access to quality care for almost 230,000 people newly diagnosed or living with dementia and to support their caregivers.
- Expanding local access to higher education through an investment of up to \$180 million in new university-led postsecondary sites in Brampton and Milton, focused on science, technology, engineering, arts and mathematics.

Fostering a Dynamic and Innovative Business Climate

- Investing \$32.4 million over four years in the Scale-Up Voucher Program to help high-impact companies overcome barriers to their next stage of growth by funding activities such as developing and recruiting specialized talent, accessing new markets and protecting intellectual property.
- Passing the *Climate Change Mitigation and Low-carbon Economy Act, 2016* that lays the foundation for Ontario's cap-and-trade program. The program will help Ontario businesses seize the opportunities of the emerging low-carbon economy.

Protecting Ontario Consumers

- Introducing legislation to establish the initial parameters for the Financial Services Regulatory Authority, a new independent and flexible regulator of financial services and pensions that would be more consumer-focused and improve protections for consumers, investors and pension plan beneficiaries.
- Banning door-to-door marketing of certain household appliances, including water heaters, furnaces, air conditioners and water filters to protect consumers who feel pressured to sign contracts at the door.
- Regulating the home inspection industry through mandatory licensing and qualifications for home inspectors as well as minimum standards for contracts, home inspection reports, disclosures and the performance of home inspections.

QUOTES

" Our plan to build Ontario up for everyone is working. Whether through increased hospital funding or taking action on housing affordability, we continue to make strategic investments to help people in their everyday lives while staying on track to balance the budget. "

- Charles Sousa
Minister of Finance

QUICK FACTS

- The government is on track to meet its \$5.7 billion multi-year asset optimization target to support infrastructure investments, including crediting \$3.4 billion to the Trillium Trust from the net revenue gains from the sale of Hydro One shares in 2015 and the sale of the LCBO head office lands in June 2016.
- As in the 2015–16 Public Accounts, the 2016 Ontario Economic Outlook and Fiscal Review includes the Auditor General of Ontario's new fiscal interpretation for the treatment of jointly held pension assets. The government has established an expert panel to deliver advice and recommendations on the accounting treatment of pension assets.
- The Province has generated more than \$230 million in additional revenue over what was reported in the 2016 Budget through enhanced tax compliance measures.
- Building on earlier missions to Mexico, Israel and the West Bank as part of Ontario's efforts to attract business investment, Premier Kathleen Wynne will lead her first business mission to Japan and South Korea later this month.

LEARN MORE

- Read the 2016 Ontario Economic Outlook and Fiscal Review
 - For more details on the government's progress, read the backgrounders:
 - [Helping People with Housing Affordability](#)
 - [Helping People in their Everyday Lives](#)

- [Balanced Path to A Balanced Budget](#)
- [Transforming Health Care](#)
- [Helping Early Learners, Students and Workers](#)
- [Fostering a More Innovative and Dynamic Business Environment](#)
- [Helping Those Whose Need it Most](#)
- [Reducing Electricity Costs for Ontarians](#)
- [Strengthening Retirement Security for Ontarians](#)
- [Helping Ontario Build and Move Forward](#)

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