

Offer wants tax scrapped

MPP Steven Offer has called on the Ontario government to scrap a controversial policy to collect the provincial sales tax (PST) on insurance deductibles.

"This is a new tax on consumers," Offer told the Legislature recently after a Mississauga insurance company owner informed him about the new policy. "Bob Rae has broken his promise not to impose new taxes by extending the PST to insurance deductibles."

On April 1, the Rae government began requiring insurance firms to charge tax on the deductible portion of insurance claims. That means consumers will pay more.

In the past, insurance companies paid the tax and passed the cost on to customers through premiums.

Ontario Treasurer Floyd Laughren said the shift in policy won't increase government revenues at all. "The tax was buried before and now it is more evident, more visible," Laughren said. "Although there has been a shift in the collection of tax, it does not bring in one new nickel to the Ontario treasury."

Offer replied that, "it's outrageous for the NDP to slap this new tax on consumers. This new policy should be dropped immediately."