

## LETTER TO THE EDITOR

August 4, 2009

The Editor  
Vancouver Sun

Dear Editor:

In his Aug. 4 opinion piece on the new Harmonized Sales Tax (HST) New Democratic Party finance critic Bruce Ralston ignores a number of key facts.

He bases his claim that the HST will increase revenues by \$4 billion over three years based on a CD Howe Institute paper written last year. He fails to mention that the same paper explicitly points out that its revenue assumptions do not include any exemptions or tax credits B.C. may implement.

The Province will implement a rebate on a number of products that will be similar to existing PST exemptions. These include: gasoline or diesel, marine diesel or aviation fuel including biofuels components used in a motor vehicle, boat or aircraft, books, child-sized clothing and footwear, children's car seats and car booster seats, diapers, and feminine hygiene products. Basic groceries are also exempt.

Mr. Ralston also neglects to reference the refundable B.C. HST Credit that will be paid quarterly to low-income British Columbians to help offset the impact of the tax. This credit will be \$230 per family member for individuals with income up to \$20,000 and families with incomes up to \$25,000 and will benefit over 1.1 million British Columbians.

The paper also assumes a new housing credit based on the federal GST credit when, in fact, the BC new housing credit is far more generous and costly.

There will also be rebates of the provincial portion of the B.C. HST for municipalities, charities and eligible non-profit organizations to protect the sector from paying additional tax.

Because of the low income credit, the housing rebate, point-of-sale and other rebates, the seven-per-cent portion of HST to be received by the Province will generate approximately the same amount in provincial revenues annually as the PST.

Colin Hansen  
Minister of Finance and Deputy Premier