



Gary McHale
Passionate Leadership
Standing with the People
Haldimand - Norfolk



Shortage of Family Doctors
Needs of Farmers
Nanticoke Coal Power
Economic Development
Law & Order

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Taxation – the People's Money

The federal government has recorded surpluses for approximately the past 10 years. Repeated surpluses are proof that Canadians are overtaxed. As such the following tax measures will be advanced if I am elected:

1. Eliminate GST on Motor Fuels

I believe in the fundamental principal that people should not pay a tax upon another tax. In the case of gasoline and diesel fuel provincial and federal taxes are added, then taxed again at the pump with GST added at a rate of 5%. The federal government should eliminate the GST on all motor fuels. This would drop the average price by six cents per litre and save the average household \$561 per year.

2. Increase Personal Exemption

Canada has been following the USA with its allowance of a relatively low Personal Exemption amount for income tax purposes. Currently that amount is \$9600 per year or \$800 per month. This means that once you make over \$800 in a month the federal government feels you have enough money to spare some of it to taxation. In 2008, the Personal Exemption amount increased by 1.9% - merely a small cost-of-living allowance.

I suggest that the Personal Exemption be immediately increased by \$1350 per year for 4 years until it reaches \$15,000. The Canadian Taxpayers Federation presented a similar idea in October 2005 and, if the Government had followed their plan all Canadians would have had a Personal Exemption of \$15,000 by 2009.

This change in taxation could save the average two income family approximately \$5940 over the 4 year period, and a further savings of \$2376 per year thereafter.

3. Allowing Citizens and Businesses to Donations to Infrastructure

Local municipalities are finding it increasingly difficult to maintain infrastructure in their communities much of which was built in the 1950s and 1960s. The only current means of raising money for local municipalities is through increasing property taxes on homeowners and businesses or waiting for handouts from federal or provincial governments.

The federal government should immediately adjust the tax code to allow businesses and private citizens with a sense of concern for their local community to donate money for infrastructure projects. Such donations would be rewarded with a tax receipt in the amount of 1.25 times the amount donated.

4. 'Transparency in Taxation' Bill

Transparency in Taxation is an idea that in a Democracy the People should know when and how much they are being taxed. There are many cases where taxes are hidden which allow governments to increase taxes without your knowledge with little to no accountability. Do you not have the right to know, when you buy a case of beer or a litre of gas, exactly how much of the purchase price went to the federal and provincial governments? Do you not have the right to know how much your Canada Pension or Ontario Health Insurance Plan is actually costing you?

Today there remain dozens of hidden taxes that average people are paying with no knowledge that such taxes even exist. For example, currently a person earning \$44,900 per year pays \$2094 per year or \$40.69 per week towards the Canada Pension Plan. However, the Government actually receives \$5025 per year or \$96.65 per week for that employee. The difference is a hidden CPP tax paid by the employer that brings total CPP contributions to a staggering \$400 per month.

To give you an idea of just how significant this amount is...if you put \$400 per month into a mutual fund RRSP earning an average of 7% per year beginning at age 20, by age 65 you would have a pension account of \$1,517,038 waiting for you on retirement! Even if you waited until age 40 to begin your RRSP you would still have \$324,029 in your account. At just 5% simple interest, this would provide a monthly income of \$1350.

I will, therefore, introduce a 'Transparency in Taxation' bill which will require every level of government to clearly provide the public the exact amount of taxation on each item with the information, where possible, printed on every receipt.

5. Tax Credit for Health Care Professionals to locate in Small Communities

One of the key areas of concerns for families in smaller communities is the availability of family doctors and health care professionals. The federal government can encourage the relocation of health care providers by changes to the tax system. Low interest loans can be provided to students if they locate in a small community after graduation to help with education and relocation costs.

A tax credit can be provided to encourage health care professionals to locate outside of large cities with incentives spread over a 5 year period, and the federal government should take an active role in promoting small communities to them.

Gary understands the Canadian tax system

Gary McHale has extensive knowledge of the taxation system in Canada since he is one of a handful of Canadians who has written accounting and payroll programs from scratch to be used by medium and large corporations.

In the early 1980s, Gary became the only trained programmer for an accounting package called 'TaxPrep.' For several years he worked as a sub-contracted programmer and later would help train accounting firms from Toronto to Ottawa on the TaxPrep software. In 1989, Gary started marketing to - and training - some of the largest corporations in Canada on TaxPrep as well as providing technical support. These corporation included Canadian Tire, Denison Mines, Cara Operations (owner of Harveys and Swiss Chalet), etc.

TaxPrep is currently owned by CCH and is the leading professional tax preparation program in Canada marketed to professional/corporate Accountants. Gary's experience with the taxation system is extensive and he continues to this day to provide tax preparation services to both individuals and small businesses.