



URGENT CALL TO ACTION

PREMIER PROPOSES NEW TAX ON HOSPITALITY INDUSTRY

The Provincial Government is currently considering Bill 53: *Stronger City of Toronto for a Stronger Ontario Act*. This Bill proposes to grant the City of Toronto the authority to levy a direct retail sales tax on the purchase of liquor. This will add a fourth tax line to your customer's bill.

Premier McGuinty has also indicated his intention to introduce amendments to the *Municipal Act* in the near future, and if this new liquor tax provision in Bill 53 is not withdrawn it is all but certain that it will also appear in a new *Municipal Act*, meaning all cities and towns would have the option of levying a new tax on liquor.

Bill 53, if passed unchanged, would permit City Council to choose to levy a sales tax on the purchase of liquor and to choose the tax rate. Any tax increase on liquor would only further erode the industry's already razor-thin pre-tax profit margins and threaten the sustainability of the industry!

The Bill, proposed by the McGuinty government, is currently being considered by the Ontario Legislature. Changes to the Bill must be made before May 15. The time to act is now! Our provincial elected officials must be made aware of the impact that Bill 53 will have on your business.

We are asking all of our members to do three things:

- 1) Fax or e-mail the Premier and ask him to withdraw the liquor tax provisions from Bill 53 and to commit to not proposing a similar provision in the *Municipal Act*. A letter is attached for your consideration and action.

Fax: 416-325-9895 or 416-325-3745
e-mail: dalton.mcguinty@premier.gov.on.ca

- 2) Contact your local MPP. (For a list of MPPs or contact information visit www.ontla.on.ca or call ORHMA Government Relations Department)
- 3) Ask your staff to fax or e-mail the Premier. A letter is attached.

For more information contact Ontario Restaurant Hotel & Motel Association, Government Relations Department at 1-800-668-8906 or 905-361-0268.