

Eastern Ontario Regional Network
**Recovering the Government Contributions to the
 Gig Project through Population Growth and
 Increased Income and Sales Tax Revenues**

CONCISE SUMMARY

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 October 2020

This model considers population growth in eastern Ontario over the short-term, the proportion of federal and provincial income and sales taxes paid by the eastern Ontario population, and the increase in tax revenues from population growth that would cover the governments' \$400m contributions to the Gig Project.

Eastern Ontario Share of Canadian and Ontario Income and Sales Tax Revenue -2019

Eastern Ontario - Canadian Personal Tax Revenue Share =	\$5,309m	<i>per capita</i> =	\$4,370.66
Eastern Ontario - Canadian Sales Tax Revenue Share =	\$1,234.7m	<i>per capita</i> =	\$1,016.53
		<i>Total per capita</i> =	\$5,387.19
Eastern Ontario - Ontario Personal Tax Revenue Share =	\$2,021.7m	<i>per capita</i> =	\$1,664.38
Eastern Ontario - Ontario Sales Tax Revenue Share =	\$1,594m	<i>per capita</i> =	\$1,312.33
		<i>Total per capita</i> =	\$2,976.71
	Grand	<i>Total per capita</i> =	\$8,363.90

- from 2016 to 2019 the eastern Ontario population grew at 1.08%, compounded annually
- a rate of 0.78% would be required to raise \$400m more in tax revenue over the next five years.
- if, due to economic decline in the region and/or a decline in the post-COVID-19 population because of the necessity of having reliable, high-speed access to the internet , population growth fell to 0.5% , the increase in income and sales tax revenue by 2024 would be insufficient to recover the \$400 million - it would take about 8 years
- if, because of reliable access to high-speed broadband in eastern Ontario, led to a higher rate of population growth – e.g., 1.2% - more revenue would be collected than would be necessary to recover the \$400m

Tax Revenue Estimates of Various Rates of Population Growth

	Five-year Cumulative Income & Sale Tax Revenue	Excess or Deficiency re: \$400 m Gov't Investment
1.20%	\$624 million	+\$224 million
1.08%	\$561 million	+\$161 million
0.78%	\$402 million	+\$2 million
0.50%	\$257 million	-\$143 million
0.40%	\$205 million	-\$195 million