

The HST Is Actually a Tax Cut?

by Stephen Elliott-Buckley - Thursday, February 25, 2010

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What do neoliberals like to do? Sell everything owned by the public. Reduce government operations through privatization. Defund the government so it can't do much anymore. Marketize all things that rest within the realm of community.

So when we heard of the hideous, regressive HST coming to BC, people flipped out because it punishes the poor by sucking income from them disproportionately compared to the rich. And in the end, the middle class get soaked.

But now we're hearing that the federal government's bribe money will be spent within a few years by annual reductions in provincial government tax revenue of \$370 million. Vaughn Palmer sums it up nicely below.

So what is the HST, really? If this arithmetic works out, it's just another way to defund government and justify more cuts and privatization.

And if we follow the money trail through to the exemptions, rebates and relief, we'll likely see some sweet subsidies for friends of the BC Liberal Party.

They've handed out so many exemptions, rebates and other forms of relief, that the provincial treasury will actually be collecting less revenue (about \$370 million less in a full year) under the HST than it would have done if the Liberals had decided to stick with the PST.

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