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Tax bill hits sour note with Orchestra London

By Sandra Coulson
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Orchestra London is scrambling for city help after being billed \$128,000 for back taxes by the Ontario government.

General manager David Haward said the orchestra will appeal the ruling about Ontario's health payroll tax. But the money must be paid immediately to avoid interest charges and penalties.

Haward said the orchestra was on an even financial keel until this.

"When you get something like this coming along out of the blue, it shows how vulnerable you are," he said.

City council's board of control will look at the orchestra's request today. City officials are recommending a loan at regular city rates of up to \$128,000.

Haward said the orchestra was audited in late November by the Finance Ministry, shortly after it also audited the orchestra in Windsor.

In both cases, the ministry ruled the orchestras should have been paying Ontario's employer health tax. The ministry gave Orchestra London a bill for \$128,281 covering 1996 to 1999.

Haward said it's standard practice for orchestras in Ontario to consider their musicians to be self-employed contractors even when they're unionized, as they are in London.

The musicians, who include Haward as Orchestra London's second bassoonist, pay their own OHIP premiums.

But the ministry says an employer-employee relationship exists between the orchestra and its musicians, so the employer health tax is due.

"We've asked the city to assist us in view of the fact this has come up suddenly," Haward said.

He said the ruling jeopardizes Orchestra London's chances breaking even this year.

The orchestra is half way through its fiscal year. Its big fund-raising events, such as Music Reigns and Interiors, are in the last half of its fiscal year.

Haward said he hopes the ruling will be overturned. If not, he wants the payroll tax to start this year rather than retroactively.