

AUSTERITY and its **ALTERNATIVES**



Tax Expenditures & Austerity

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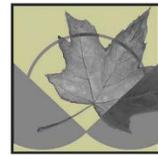
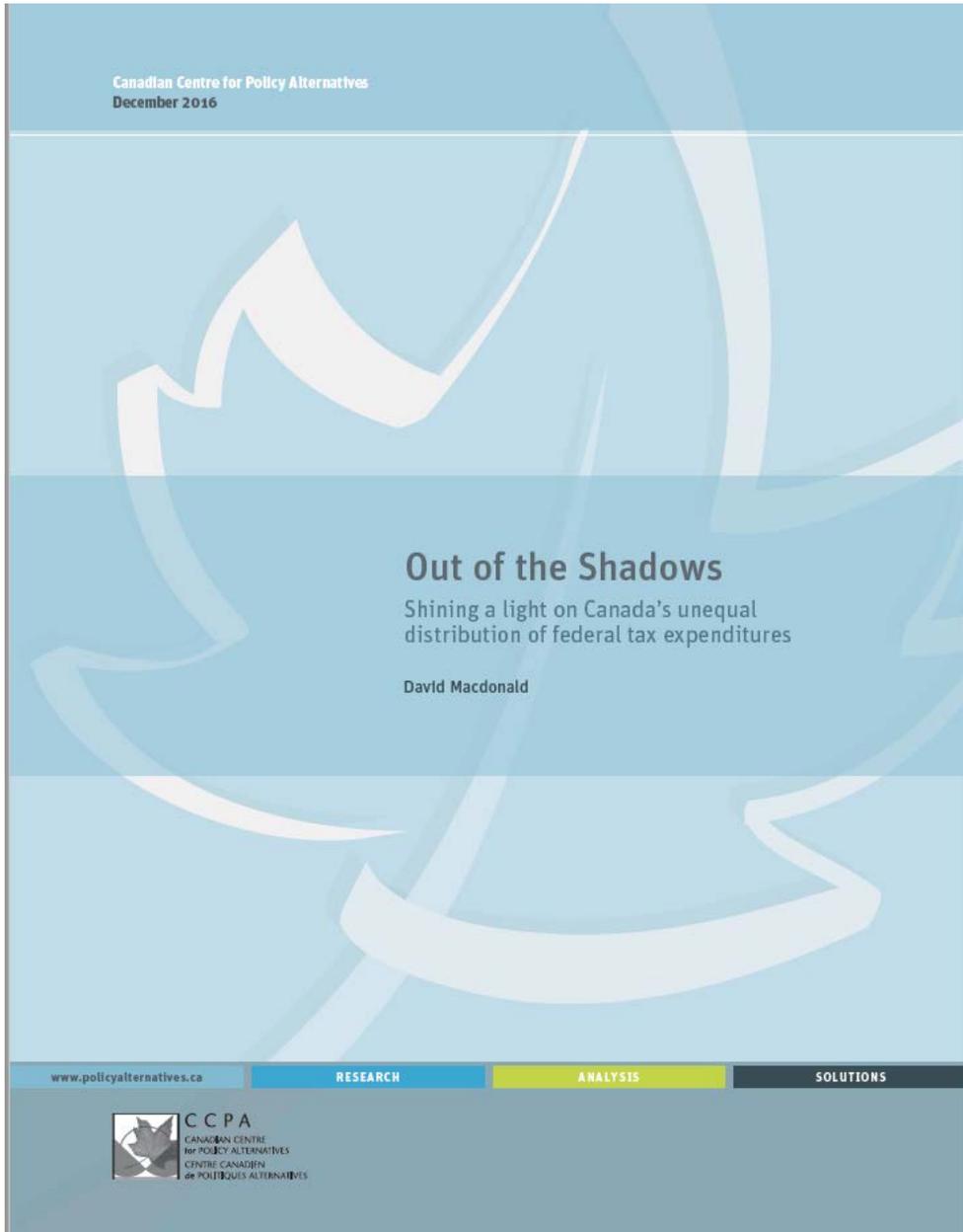
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Out of the Shadows

ALTAUSTERITY





A rose by any other name

- Better known as:
 - Tax Loopholes
 - Tax credits
 - Tax deductions
 - Reductions in taxable income
 - Non-taxation of income
 - Partial inclusion
- Legal exemptions
- Expenditure review & recent history



Tax expenditures in context

Value of Personal Tax Expenditures

\$103 Bil

Personal Income Taxes Collected

\$121 Bil

Value of all Federal Transfers including: CPP, GIS/OAS, EI, GST credit, UCCB, NCBS/CCTB

\$113 Bil



Where are Tax Expenditures??

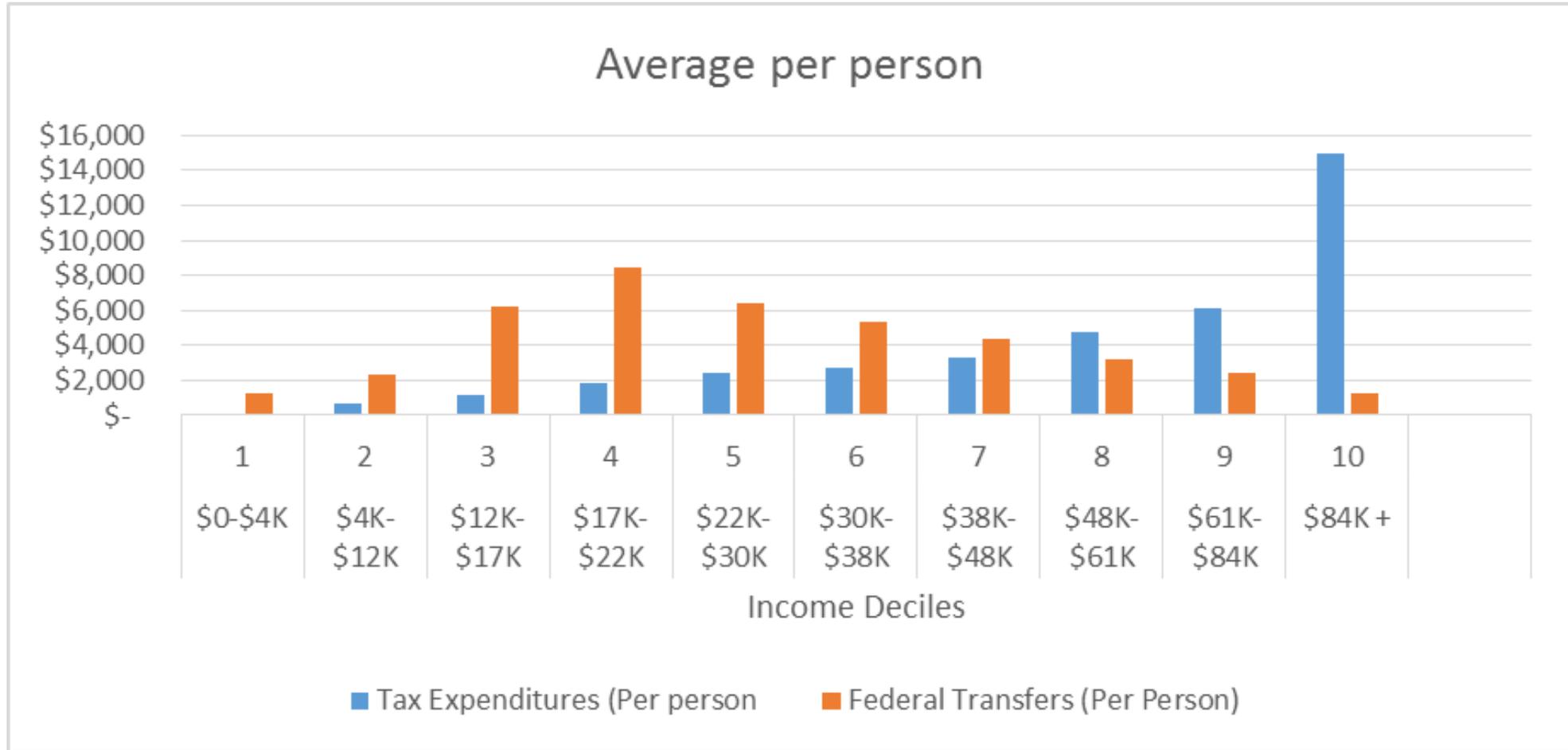
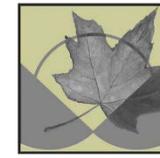
	2015– 2016	2016– 2017
Major transfers to persons		
Elderly benefits	45.5	48.4
Employment Insurance benefits ¹	19.4	21.0
Children's benefits	18.0	21.8
Total	82.9	91.2
Major transfers to other levels of government		
Canada Health Transfer	34.0	36.1
Canada Social Transfer	13.0	13.3
Equalization	17.3	17.9
Territorial Formula Financing	3.6	3.6
Gas Tax Fund ²	2.0	2.1
Other fiscal arrangements ³	-4.0	-4.5
Total	65.9	68.5
Direct program expenses		
Transfer payments	34.9	41.7
Capital amortization	4.7	5.4
Operating expenses	82.5	84.6
Total	122.1	131.6

	2015– 2016
Income taxes	
Personal income tax	144.9
Corporate income tax	41.4
Non-resident income tax	6.5
Total income tax	192.8
Excise taxes/duties	
Goods and Services Tax	33.0
Custom import duties	5.4
Other excise taxes/duties	11.5
Total excise taxes/duties	49.8
Total tax revenues	
Employment Insurance premium revenues	23.1
Other revenues	
Crown corporations	12.5
Other programs	15.0
Net foreign exchange	2.3
Total other revenues	29.7



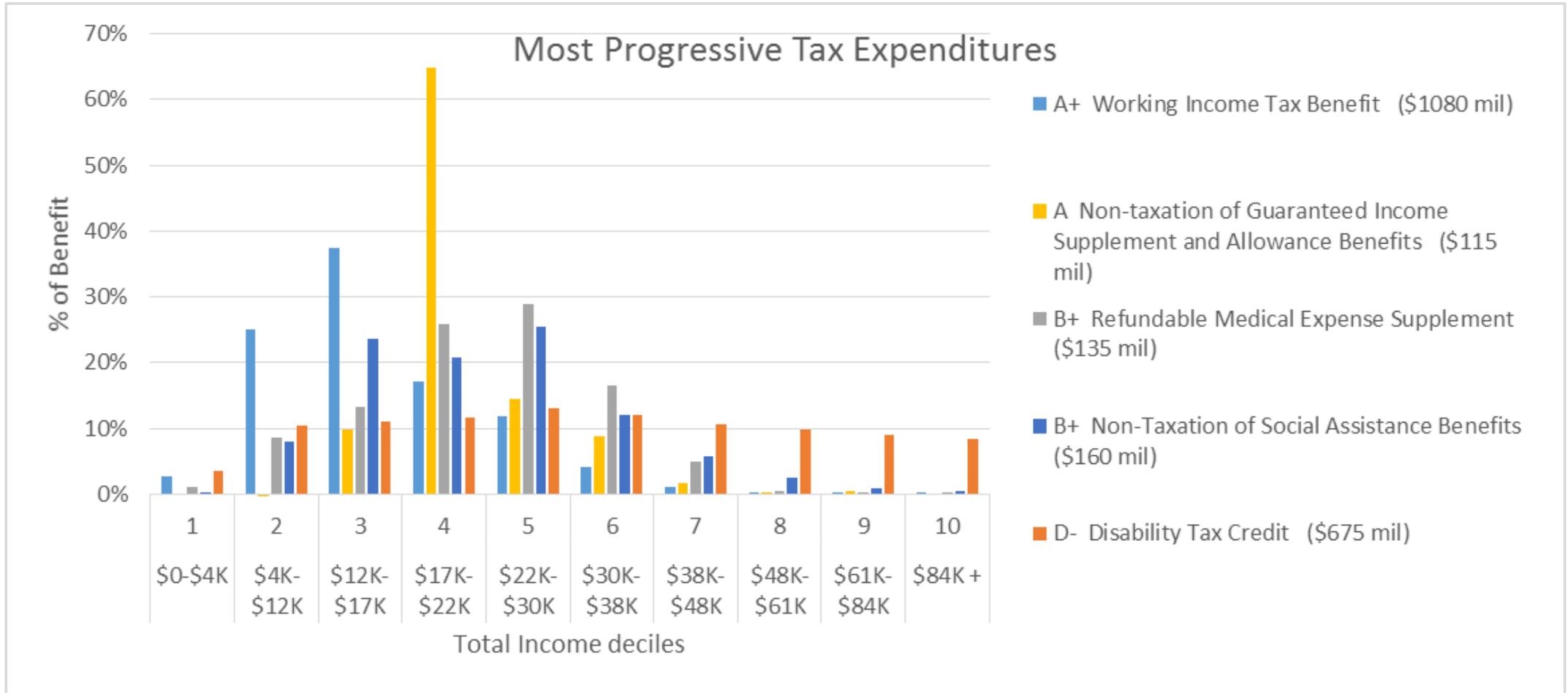
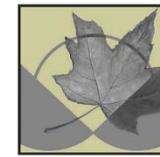


Tax expenditures as a system



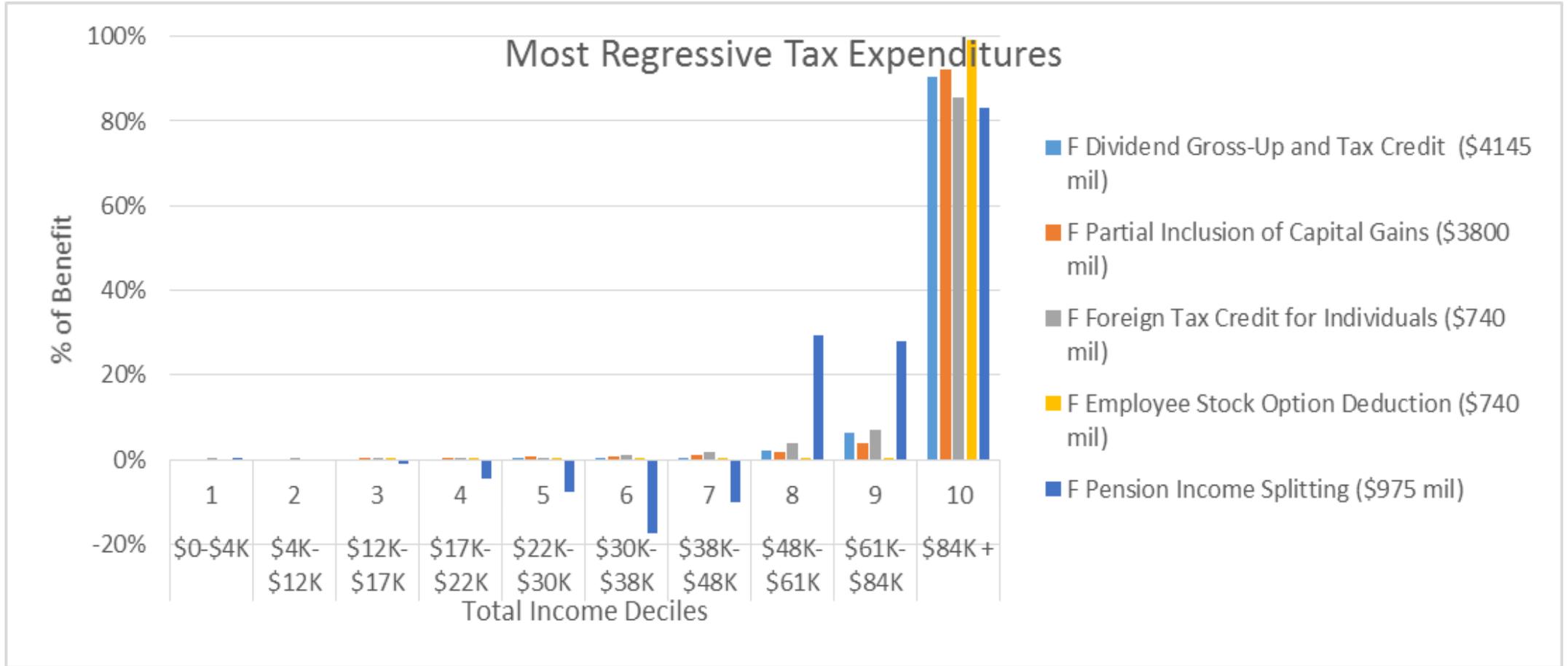
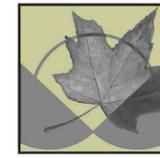


Most progressive expenditures





Most regressive expenditures





Called tax “expenditures” for a reason

- Elimination of seniors' Poverty (\$9 bil)
- Doubling of Long Term Care beds (\$3 bil)
- Eliminating university tuition (\$4 bil)
- Basic income of \$21,600 a person (\$89 bil)



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