



Newsletter

Winter 2013

Canadians for Tax Fairness is gearing up to make some real progress on tax fairness in 2013. In addition to continuing our Tackle Tax Havens campaign, we will be rolling out a new campaigns on closing tax loopholes as well as supporting provincial tax fairness campaigns. We will keep you informed and hope we can count on your continuing support.

There is a lot happening on tax fairness across the country and around the world.

New Brunswick

C4TF's New Brunswick partner, The Common Front for Social Justice, got the whole province talking with [a plan](#) for the rollback of the province's 2009 tax cuts.

In addition, a group of economists joined the call by publishing [an open letter to the Finance Minister](#). Their message was stark: "If 2008 tax rates had been restored this year, the province would have had about \$230 million in extra revenues, nearly two thirds of the estimated deficit. But if the rate reductions continue for one more year, the larger deficits they produce will have added almost a billion dollars to the province's debt." You can check out their math [here](#).

New Brunswick's business leaders have waded in to the discussion saying their personal stake in the province's future has convinced them that raising the corporate tax rate to reduce the province's \$10 billion debt is the right move.

Here is what they had to say in an open letter to the government:

The New Brunswick Business Council believes that difficult times call for difficult measures. That's why we propose an increase to the corporate income tax rate to generate revenues that will decrease our deficit and ultimately our \$10 billion debt.

Please do not misunderstand; members of the Business Council aren't keen to pay more tax. But New Brunswick needs to return to balanced budgets as quickly as possible, and we believe that as New Brunswickers we must tighten our collective belts to help our province achieve this goal.

Currently, New Brunswick has the lowest corporate tax rate in Canada. Our rate is 10 per cent, while the Canadian average is 12.5%. For each percentage increase in the rate, New Brunswick could generate an estimated \$10 million dollars. That won't eliminate our deficit overnight, but it's a step in the right direction. [More...](#)

I wonder if there are any other enlightened business leaders in other parts of the country?

Newfoundland and Labrador

It all started when Premier Kathy Dunderdale smilingly told an interviewer that it was time for [an “adult conversation” about taxes](#). Then she pulled a Mitt Romney and suggested that “only 16 per cent of Newfoundlanders were paying 70 per cent of the taxes”.

There was swift reaction. [NL Federation of Labour’s Lana Payne](#) pointed out that Premier Dunderdale’s calculations omitted gas and sales taxes for a start. She also suggested it was time for the province to revisit the amount of corporate taxes paid by multinationals involved in the province’s resource sector.

[Bloggers](#) and commentators produced statistics showing that Premier Dunderdale's numbers were misleading – especially as the top tier tax rates were cut in the 2010 provincial budget. And [this video](#) questioned the meaning of austerity in a “have” province.

As the old saying goes, Premier Dunderdale, watch what you wish for.

Nova Scotia

With the Finance Minister musing about a projected deficit and [a drop in federal transfers](#), representatives from [Nova Scotians for Tax Fairness](#) paid a visit to the legislature for a pre-budget meeting. They’ve put forward [10 recommendations](#), including the creation of a new tax bracket to make the tax system more progressive.

Alberta

If Alberta collected the same share of royalties and taxes from the energy sector as when Peter Lougheed was premier, the province would increase revenues by billions of dollars. Public Interest Alberta and the Alberta Federation of Labour have created the [BetterWayAlberta](#) campaign to dispel myths about resources, royalties and corporate taxes. The campaign uses radio and television ads and social media to illustrate how tax and royalty giveaways have blown a hole in the province’s revenue base.

British Columbia

Did you know that provincial tax cuts since 2000 have reduced taxes of the richest 1% by an average of \$41,000 a year? That is more than the average income of the poorest 30% of households. BC's overall tax system is now remarkably regressive with the result that the higher your income, the lower your total provincial tax rate. BC's taxes are not only unfair, they also don't raise enough revenue to pay for essential health, education and other social services.

Canadian Centre’s for Policy Alternatives’ BC office has just published [Progressive Tax Options for BC](#). It presents multiple scenarios for tax reform that would increase the fairness of the system and raise the revenue needed to fund critical social and environmental programs.

Ontario

Ontario has a new premier, Kathleen Wynne. It is encouraging to see that among her priorities are an overhaul of the province’s welfare system and a national affordable housing strategy. The Globe and Mail reported that her staff is holding talks with New Democrats over the third-place

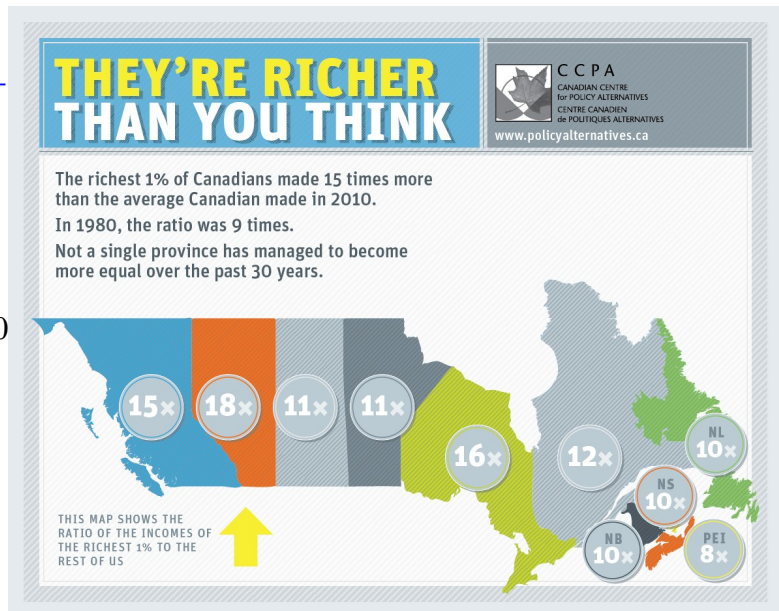
party's budget requests, including closing corporate tax loopholes. The Ontario NDP issued their [priorities for the Spring legislative session](#) soon after Wynne was elected the new Liberal leader.

The Great Revenue Robbery

We are really excited that our new book, published by Between the Lines, is being released in April. [THE GREAT REVENUE ROBBERY: How to stop the tax cut scam and save Canada](#) is a collection about tax fairness as a key to re-building Canada. We have scheduled launch events in Ottawa (April 4), Vancouver (April 10), Edmonton (April 12) and Toronto (April 16). Topics covered in the book include tax havens, corporate tax cuts, financial transaction taxes, carbon taxes and how taxes can help close the income gap. Contributors include James Clancy, Dennis Howlett, Trish Hennessy, Diana Gibson, Peter Gillespie, Jim Stanford, Toby Sanger, Joe Gunn, John Restakis and Murray Dobbin. The book was edited by Richard Swift. Many of the chapter authors are available for speaking engagements. [Contact us](#) if you have a meeting, conference or event where we might be able to profile the book or if you would like to help us organize a book launch in your community. We are also looking for volunteers to help us display the book at events around the country. The book sells for \$19.95. Group bulk discounts are available.

And Speaking of Fairness.....

One of the most shared info-graphics on [C4TF's Facebook page](#) in the past month was based on CCPA's analysis of the growing income gap in Canada. The maps show that the richest 1% in Canada make 15 times more than the average Canadian. The richest 1% of Canadians make almost \$180,000 more today than they did in 1982—while the bottom 90% of Canadians saw income gains of only \$1,700. (Click on the graphic to get more details.)



On that same note Oxfam has released [statistics](#) showing that the world's 100 richest people earned \$240 billion in 2012 – enough money to end extreme poverty worldwide four times over.

The Robin Hood Tax

The European Union passed another milestone last month when 11 (out of 26) member states voted to move forward on a harmonized Financial Transaction Tax. This block includes Greece, Spain, Germany, Italy and France and represents two-thirds of EU GDP. It is the first time in global tax history the Financial Transaction Tax will be applied at regional level.

Although all the details have not been made public, [some analysts](#) have indicated that the regulations will be robust and difficult to dodge. The tax will have two main purposes: to raise tax revenues on the order of \$45 billion annually.

What did corporate tax cuts deliver?

A [new report](#) from the Canadian Labour Congress shows that rather than investing the windfall from their tax cuts to create jobs, Canada's largest non-financial corporations are hoarding cash and paying fat compensation to their CEOs.

Corporate income taxes in 2011 amounted to only 8.3% of all government revenues, down from 8.8% in 2010 and an average of 11% in the 1960s and 70s. In return for tax breaks, companies are supposed to be investing their windfall. But the corporations have mostly just sat on their money. Canadian corporate cash reserves now total \$575 billion.

Church Group Promotes Tax Reform for Equity and Sustainability

KAIROS, Canadian Ecumenical Justice Initiatives, which unites the social justice work of 11 churches and religious organizations has published an excellent [policy briefing paper](#) on tax justice issues covering tax havens and tax avoidance, financial transaction tax, ecological taxation and progressive tax reform. It was prepared for a recent World Council of Churches consultation.

Parliament Turns Attention to Tax Havens

This month, C4TF Executive Director Dennis Howlett and [Halifax Initiative](#)'s Peter Gillespie will appear before the House of Commons Finance Committee as it begins its study of Tax Evasion and the Use of Tax Havens. In 2011, \$160 billion was funnelled from Canada to offshore tax havens, much of it to avoid paying taxes. Our [TackleTaxHavens](#) campaign has been pushing the government to examine the trend and implement policies to staunch it.

Let's Keep Working!

Thank you for helping us keep up the pressure for tax fairness. This newsletter reports on some of the latest developments happening across the country and globally. If you want to dig deeper, check out [our website](#) or [Facebook](#) and @CdnTaxFairness on Twitter. And stay tuned for our Spring 2013 edition.

[Visit this page](#) if you can help with a financial contribution towards upcoming activities or to help out with our campaigns. Or even better [become a supporting member](#) by contributing \$10 or more a month.

Regards,



Dennis Howlett
Executive Director