

2015 in Review: Changing How We Talk About Tax

From our Executive Director

Fair taxation is a hallmark of a healthy democracy. Done right, it supports equality, educates our young, provides health care, builds infrastructure and much more. Done badly, it causes a lot of damage while making a few people very wealthy.

Canadians for Tax Fairness' (C4TF) goal is a tax system that serves all of us. As the country's only progressive tax watchdog, we had our work cut out for us in 2015. We exposed how tax havens

are robbing revenue from the federal budget, how loopholes are creating an elite class of taxpayers and how Canada's Revenue Agency needs a serious reboot

We've done hundreds of media interviews; lobbied politicians; supported local activists; and travelled to communities to spread the word. I am inspired by how many people know that something is very wrong with our tax system and want to help fix it.

If you are reading this, it is likely that you are one of those Canadians. We invite you to find out more at our website and on social media. And if you like what you

see work with us in your community, sharing our information, or making a donation.

Help us change the way Canada talks about taxes. Our future depends on it.



Executive Director, Canadians for Tax Fairness

Nem Howard

Voting for Fairness

Challenging the myth of tax cuts is part of our mission — especially at election time. Tax cuts make a good sound bite. And politicians know that voters fall for those promises time after time. So our work was cut out for us during the 2015 campaign. We took it on: from the impact



of raising the ceiling of tax free savings

accounts, the bad math behind middle

class tax cuts, to cutting the <u>stock option loophole</u>. We created fact sheets; appeared on talk shows; and provided <u>analysis</u> to reporters, bloggers and columnists. Canada may soon be rid of the stock option loophole. But we face an impressive public relations machine as corporate Canada fights us every step of the way.

Identifying Problems and Providing Solutions

2015 marked our first entrée into publishing in-depth reports. We started with a story no one else wanted to tell. What is Wrong at the CRA and How to Fix It was built on a series of secret one-on-one interviews with current and newly retired tax agency employees. We discovered concerns about capacity to investigate offshore tax

C4TF IS DOING WORK
JOURNALISTS SHOULD BE
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STEPHEN KIMBER, JOURNALISM PROFESSOR, UNIVERSITY OF KINGS COLLEGE, HALIFAX havens and much more. The picture that emerged was of an organization struggling to carry out its function in the face of government mismanagement.

In keeping with our goal of providing practical solutions, we included

"doable" measures that could help set things straight. And we will continue to push for those solutions. Every year the amount of Canadian dollars shifted to offshore tax havens increases costs more than \$8billion in lost revenues. We believe Canadians deserve better.

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Tackling Tax Havens

If there's one thing Canada could do in 2016 to improve our tax system it would be to tackle tax havens. Canadian dollars offshore are at an all-time high of \$199 Billion and that's just the reported money. Conservative government cuts and re-organization at Canada's Revenue Agency was a free pass for multinationals and wealthy individuals who are happy to live and work here but feel entitled to pay less tax than the rest of us. The Liberal government promised changes. But tweaks just won't cut it.



Tax havens are a priority issue at C4TF. We've worked with documentary producers and journalists to expose the the growing problem of tax havens. In the late summer of 2015, we reached millions of Canadians through a CBC investigative report on a tax scheme created by accounting giant KPMG. It is just the tip of the iceberg.

Media Outreach

C4TF is constantly working for opportunities to reach Canadians through traditional media. And we punch well above our weight when it comes to coverage. Providing backgrounders to



journalists, publishing opinion pieces in newspapers, fielding questions on radio talk shows – we do it all. We provide accurate and reliable information – and strong context. That's why journalists keep coming back to us and why Canadians are becoming familiar with our organization.

Our Online Community

The generous monthly support of ordinary Canadians means daily engagement with our followers on Facebook and Twitter and website. It is a chance to share our work. Just as important, it is a chance also to track

2015 Board Members

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Patricia Lane Lawyer, Mediator.

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National Union of Public and General Employees.

Brian O'Neill, Nova Scotians for Tax Fairness.

Toby Sanger Senior Economist, CUPE. and engage in conversations to hear what people have to say. Our online work includes regular contributions to some of the best online media sources around including <u>Huffington Post</u>, <u>IPolitics</u> and <u>The Tyee</u>.

If you don't already follow us – join the thousands of Canadians who care about tax fairness and have first-hand access to fact sheets, tax fairness news and guest blogs.

On the Ground

A fair, efficient tax system affects everything from funding for healthcare, to infrastructure, to our ability to care for our community. Our goal is smart, compassionate alternatives to outdated, harmful austerity measures. From Halifax to Vancouver, we worked with volunteer organizers, community

groups and national organizations to change the way Canadians think – and talk about tax.



As a technical

advisor to the award-winning documentary, <u>The Price We Pay</u>, executive director Dennis Howlett answered post-screening questions at locations across the country. It was an eye-opening experience for the audience to see the effects of corporate profit-shifting and tax evasion on the big screen.

Global Partnerships

When 62 individuals own as much wealth as half the world's population it is testimony to the spread of tax havens and other avoidance schemes. We campaign with global partners to demand accountability from our governments and ethical practice from corporate evaders. C4TF is recognized for its leadership as co-chair of the Global Alliance for Tax Justice. We work with other leaders including OXFAM, Mining Watch and Inter Pares. Corporate tax avoidance is a global, multibillion-dollar industry that pits one country against another and works to undermine the concerns of tax activists. With an estimated \$32 trillion in hidden wealth there is a lot at stake. It is a job we are proud to be doing.

Looking Forward

We finally got Canada talking about tax fairness and tax havens. But there's lots of work left to do. In 2016 we've rolled up our sleeves to change the way Canadians think about corporate tax avoidance. Some Canadian companies pay less than a third of what is already the lowest corporate tax rate in the G7. That's billions in lost revenues for health care, education and all the other things that make this country a good place to live and do business.



Why does this happen? Corporate Canada has many convinced that they spend unpaid taxes on creating jobs, new research, and development. Wrong. Hasn't happened. And with C\$199Billion offshore, we know where lots of it ends up.

Our *Corporations Pay Your Fair Share* campaign will target some of Canada's biggest tax abusers. To do that we need to do a lot of digging and fact-checking. We will work with media and

supporters to share the evidence – and more importantly to change lax Canadian rules and get the Canada Revenue Agency to do right by the rest of us and stop the tax holiday for multinationals. Whether it is to Google, Cameco, big banks or high-flyers – let's get Canadians to say "Pay Your Fair Share."

Achieving Results

Our success depends on a very simple formula:



This Work Needs Your Help

We are lean and nimble. But strong research and good outreach takes time and talent. And fending off the business as usual attitude of media, politicians and corporate elite takes persistence.

We appreciate your help. Whether it is signing an e-petition, sharing on social media, hosting an information session or making a <u>donation</u> – it is working. Together we can achieve tax fairness.