

TAX FAIL

LEVEL THE DIGITAL PLAYING FIELD

Did you know that both you and your local bookstore likely paid more taxes in Canada last year than major companies like Google, Facebook, Amazon, Netflix, Uber and Airbnb?

These digital giants make millions - even billions - in profits every year from Canadians. That's because Canadians have embraced their technology - we're one of the biggest digital consumers in the world.

But there's a problem.

Despite their massive profits, these multinational companies get away with paying little or no tax here.

The CRA gives them an exemption because they have no office presence and no employees in Canada on digital programming and sales. The CRA believes that because they do not have a physical presence, they are not conducting business in Canada.

That's wrong.

Last year alone e-commerce businesses sold around \$30 billion in Canada. This means that both the provincial and federal government are missing out on billions of dollars that should be going to our services

and infrastructure - all because Canada hasn't figured out how business is done in the 21st century.

This also puts Canadian business at a disadvantage - they both have to pay their taxes, while advertising a product that's effectively more expensive once taxes are applied. That's just not fair.

Meanwhile, other countries around the world have started closing this loophole, and leaving Canada behind. The European Union, Australia, New Zealand, Japan and other countries have all began to implement laws and regulations that will allow them to collect taxes from these companies, even if they're not physically located there.

It's time for Canada to crack down on these cyber tax dodgers.

The reality is that many of these digital giants have been getting away with not even paying their share of taxes at "home" - that's because they've set up tax havens around the globe, and shift any profits they make to those tax shelters to avoid paying taxes in places like Canada, the United States, or across Europe.





CANADIANS FOR TAX FAIRNESS
CANADIENS POUR UNE FISCALITÉ ÉQUITABLE



Already, Facebook, Google, Apple, Uber, Amazon and many others have faced lawsuits and criminal investigations for their illicit tax practices by other governments.

In one of the most blatant examples, Google made over \$40 billion in sales in the UK over 10 years, but paid almost zero tax. After being shamed publicly, Google agreed to pay about \$340 million in taxes. This gave Google an effective tax rate of 2-3%, compared to the standard of 20%.

Locally, we know that Rogers Media paid over \$1.4 billion in sales taxes (GST, HST, and PST) alone in a recent year. At the same time, Netflix paid \$0 on hundreds of millions in sales in Canada.

Canadian broadcasters also pay into funding to produce Canadian content, such as the Canadian Media Fund.

Foreign digital broadcasters are exempt from Canadian content regulations or paying into these funds.

Canada's media and entertainment industries are particularly threatened by tax avoidance and these kinds of policies.

It's estimated that thousands of Canadian jobs in the entertainment industry could be lost as a result of allowing these exemptions, recent trends, and other policies introduced.

This isn't about trying to make everyday Canadians pay more.

This is about ensuring a level digital playing field.

This is about ensuring that Canadian businesses can remain just as competitive as their foreign counterparts.

This is about ensuring that the Canadian culture we enjoy, and all the jobs behind it, remain supported and vibrant.

This is about ensuring that Canada and our provinces are receiving their fair share of taxes to continue paying for the services and infrastructure we all enjoy.

This is about tax fairness.

That's why we're calling on the federal government to ensure that these companies are paying:

1. Their fair share of income taxes, for profits generated within Canada
2. Their fair share of value-added-taxes, like HST and GST
3. Their fair share of Canadian content funding, for those in the broadcast and entertainment industry

We hope you'll agree and join us!

**Sign
the petition
now!**

**Visit taxfairness.ca to
demand the government levels
the digital playing field -
and makes digital giants
pay their fair share of
taxes!**