

Equality: making taxes fairer

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Principles of Tax Policy

- **Effective**

- Administratively simple, transparent
- Stable, flexible, provides required revenues

- **Equitable**

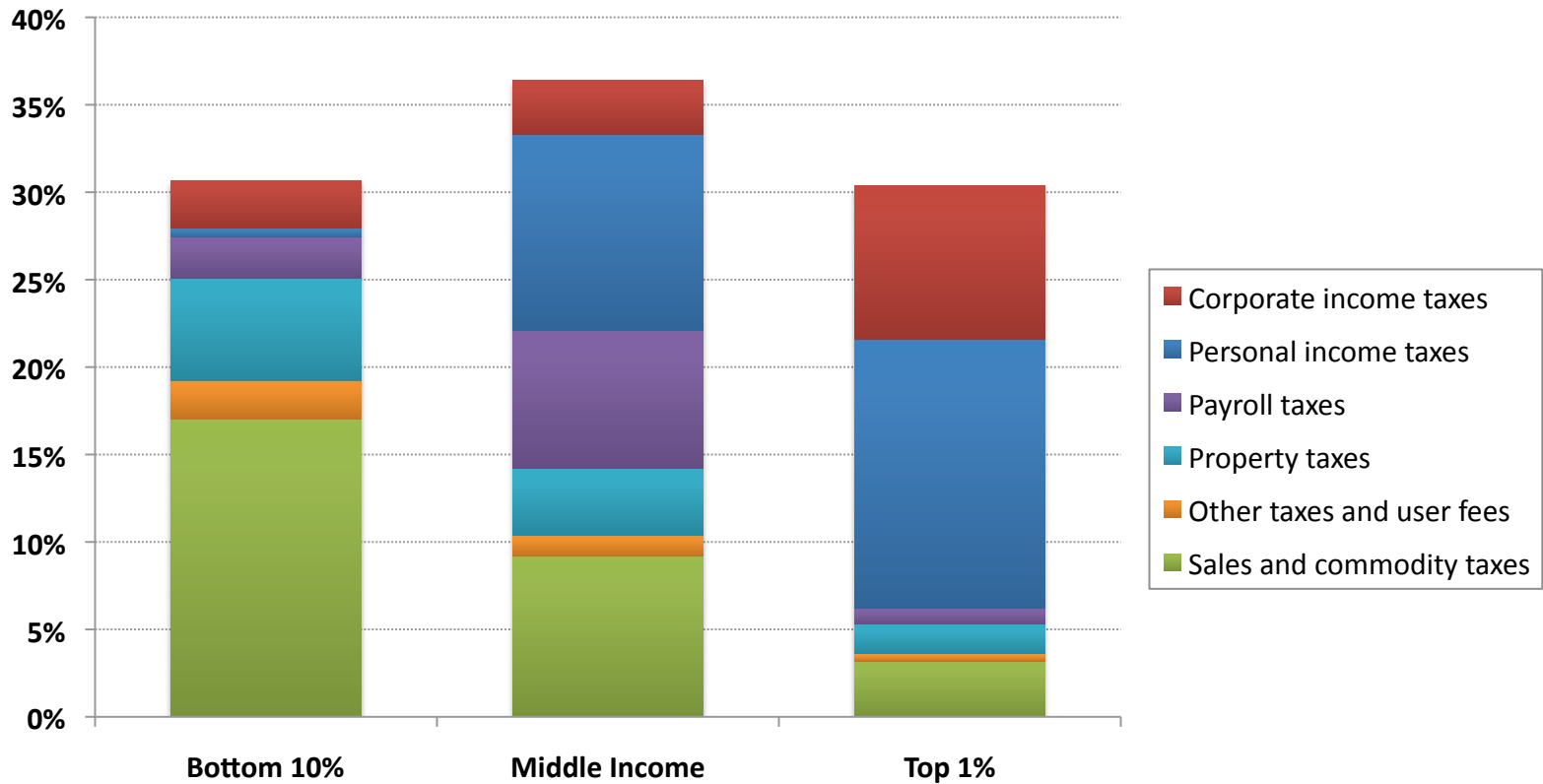
- Neutral: “a buck is a buck”
- Fair: progressive, ability to pay

- **Efficient**

- Promote economic growth, well-being
- Promote better behaviour: social, environmental

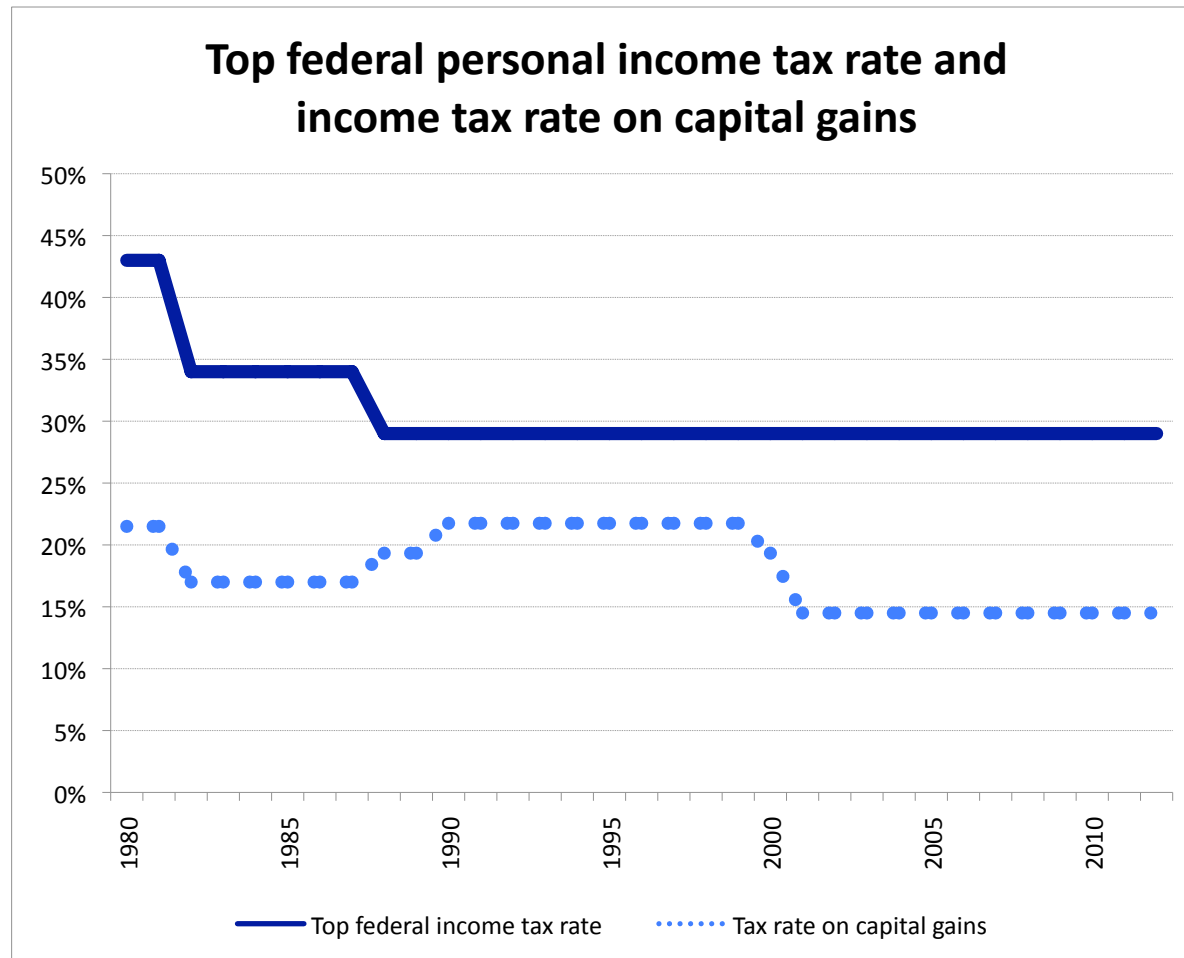
Personal and corporate income taxes essential for equity and fairness

Average Tax Rate as a Share of Income for Different Types of Tax

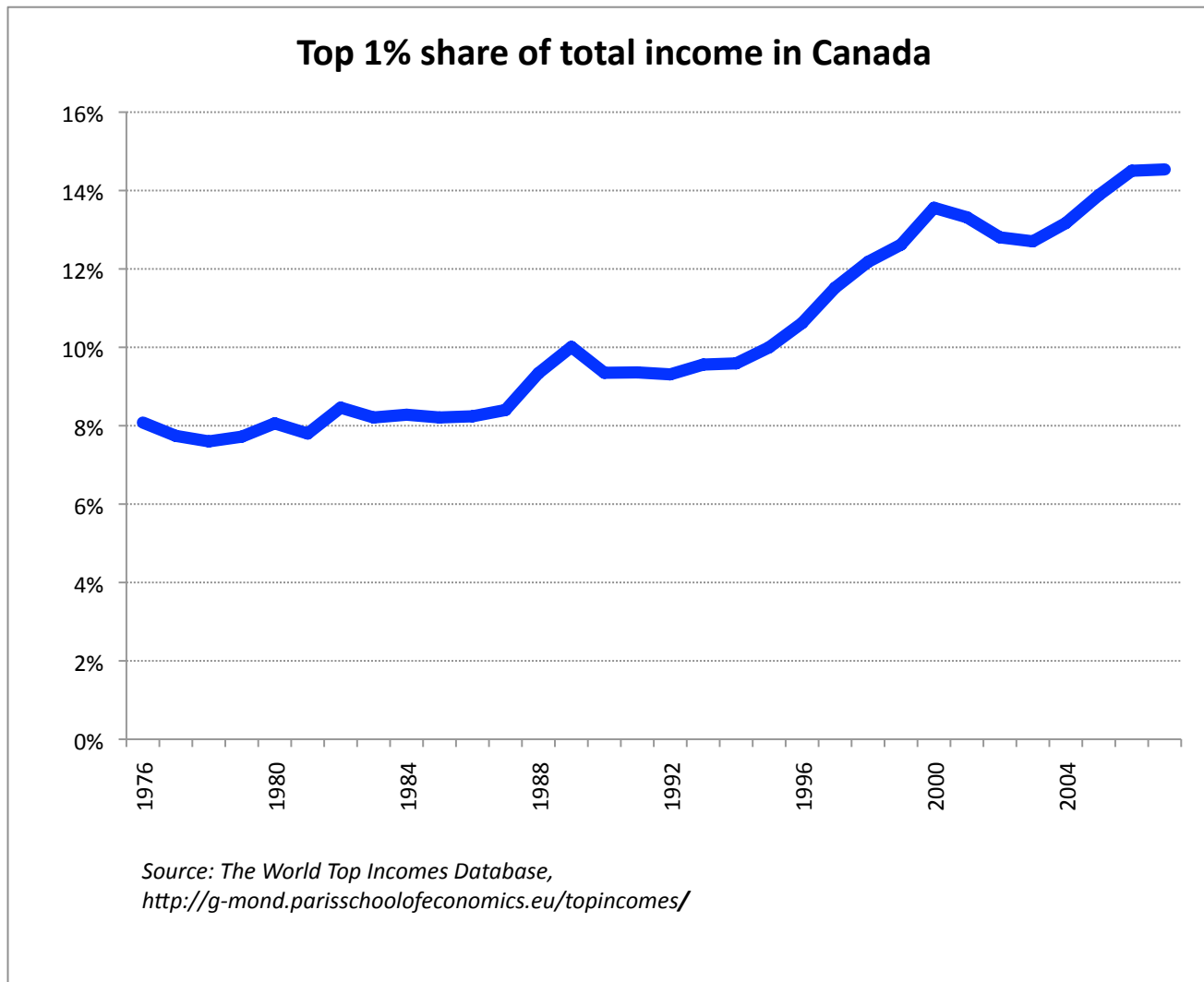


From Marc Lee, *Eroding Tax Fairness* (CCPA, 2007), 2005 data.

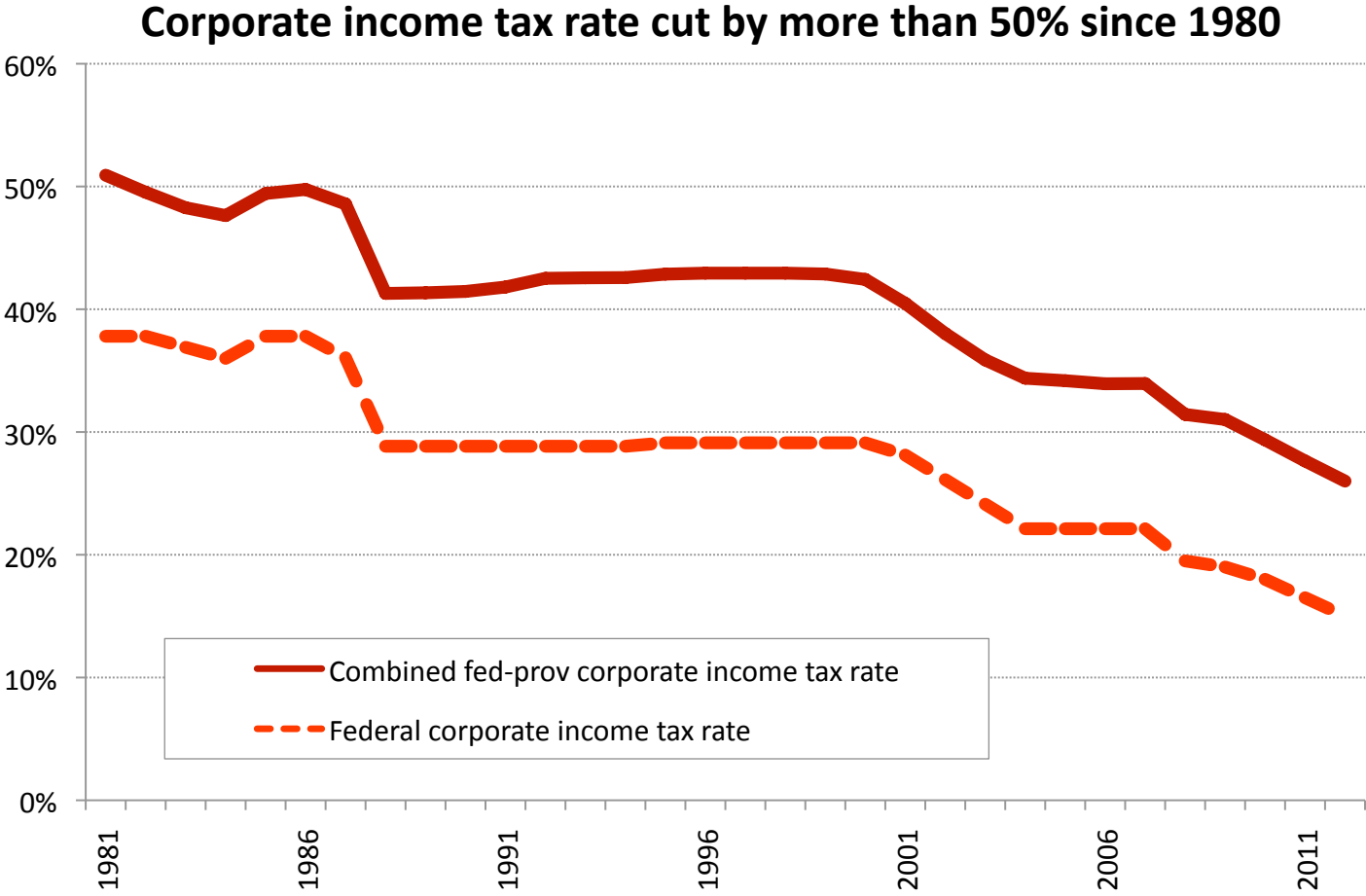
High income and capital gains tax rate cut by 1/3



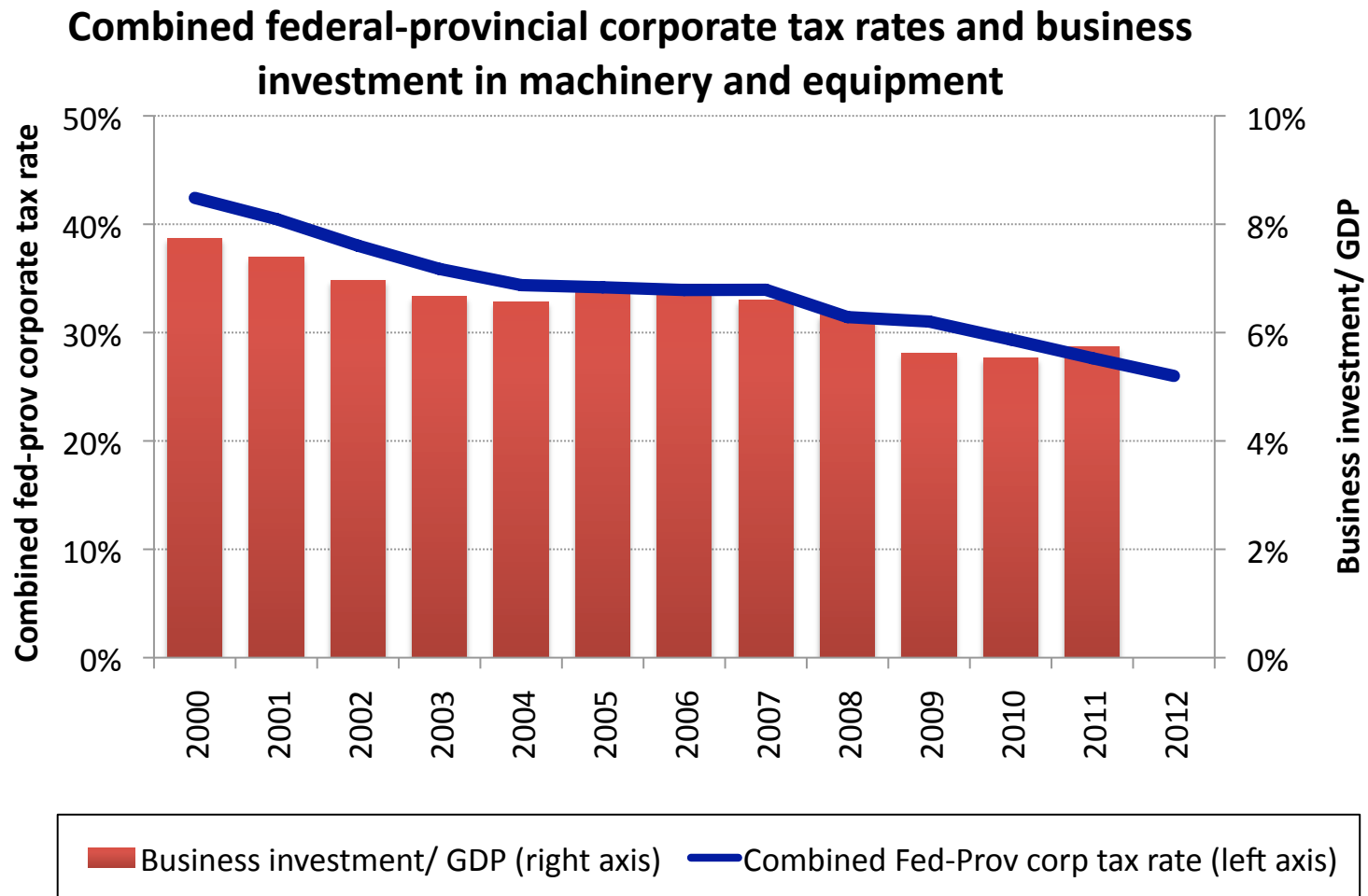
Richest 1% double their share of income



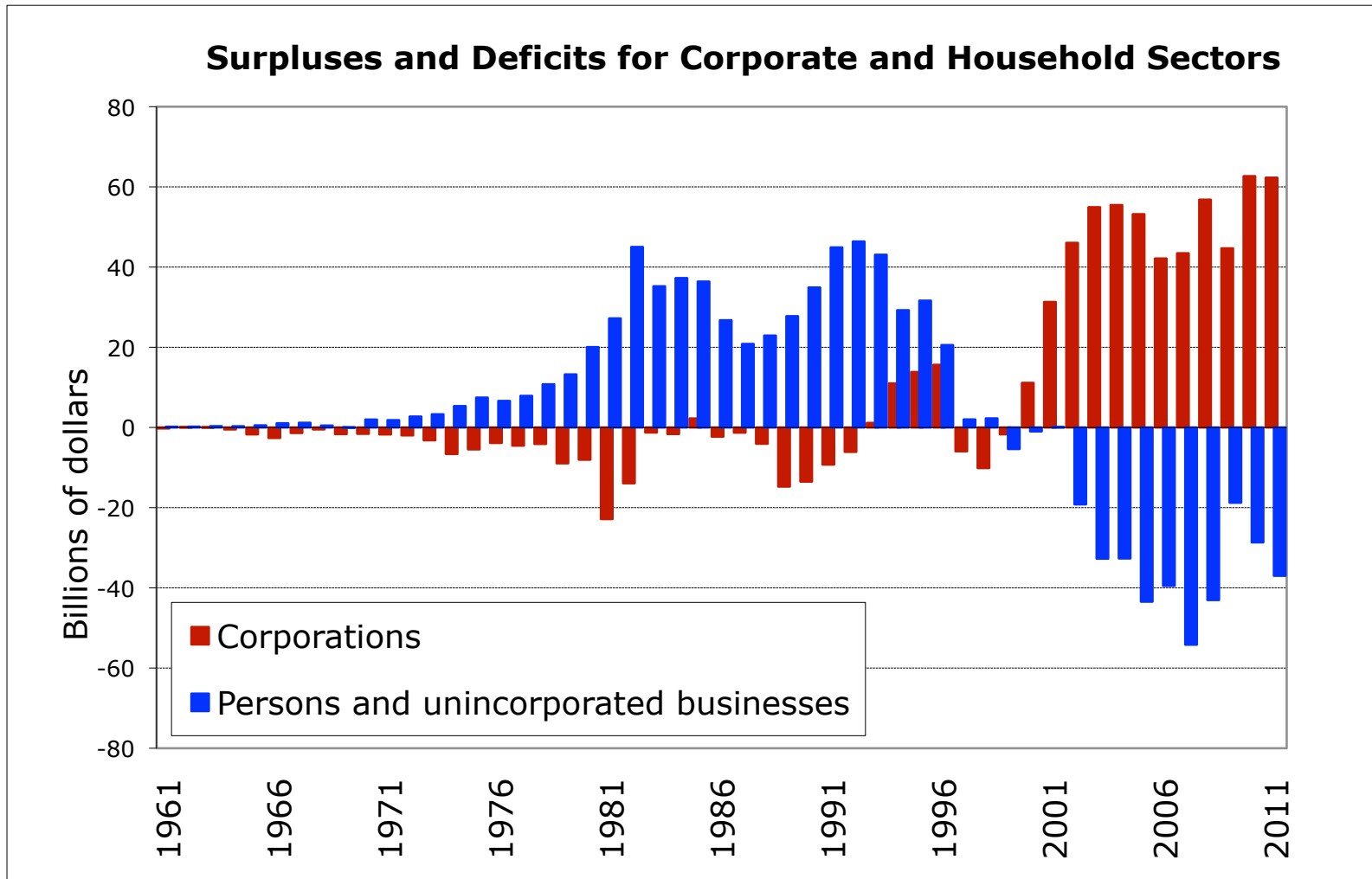
Corporate tax rates cut in half



Supply-side corporate tax cuts fail to spur investment



Unprecedented shift to household deficits and corporate surpluses



Fair tax measures could eliminate deficit

Federal government progressive revenue options	Revenue \$billions
Fair taxes for corporations <ul style="list-style-type: none">Restore federal corporate tax rate to 21%Financial activities tax on bank profits and compensation	\$10.5 \$5.0
Progressive tax on high incomes <ul style="list-style-type: none">Tax incomes over \$250,000 at 35%	\$3.5
Broaden tax base and close ineffective and regressive tax loopholes <ul style="list-style-type: none">Eliminate and restrict regressive tax loopholes and subsidies (capital gains, stock options, oil industry, etc.)	\$10.0+
Total of above measures (billions annually)	\$29.0