

THE AFFORDABILITY CRISIS AND ELECTION 2019

Poll after poll, including our own, shows that affordability may be the top ballot box issue this election. **And for good reason.**

ALMOST HALF OF CANADIANS

worry they don't make enough to cover their costs



WAGES STAGNATE AS COSTS RISE

Average amount of debt for every dollar earned



ECONOMIC GROWTH GOES MOSTLY TO THE RICH

20% Richest 20% own half the wealth in the country.

87 of Canada's richest families make as much as the 12 million poorest.

87

The Broadbent Institute is looking at three major issues effecting affordability - housing, healthcare and taxes, during the federal election.

AFFORDABILITY ISSUE #3: TAX LOOPHOLES

Produced in partnership with



Canadians for
Tax Fairness

Canadiens pour une fiscalité équitable

Tax loopholes allow wealthy Canadians to avoid paying their fair share. Amid growing inequality, billions in government revenues are squandered in these loopholes each year - money that could be used to strengthen health and social programs that benefit us all. Progressive tax reform has never been more urgent.

In 2018, the Broadbent Institute identified the five worst tax loopholes in Canada's tax system. There has been a lot of talk about closing them, but not nearly enough action.

Here's how much those filthy five tax loopholes continue to cost the federal government each year:

TAXING CAPITAL GAINS AT HALF THE RATE

of other income for individuals and corporations:

\$16.7 BILLION

STOCK OPTIONS FOR CEOS

and others, also taxed at half the rate of employment income:

\$685 MILLION

CORPORATE MEALS AND ENTERTAINMENT EXPENSES,

allowed a 50% deduction on taxes:

\$515 MILLION

CORPORATE DIVIDEND TAX CREDIT,

which provides a personal income tax credit for corporate taxes paid, even if they're not paid at all:

\$5.7 BILLION

TAX DODGING THROUGH OFFSHORE TAX HAVENS

at least

\$8 BILLION

Total Gained by Closing Tax Loopholes

OVER \$30 BILLION ANNUALLY

Consider What We Could Do:



\$10 a day childcare for
500,000 KIDS
\$10 BILLION



Green retrofits for
ONE MILLION HOMES
\$5 BILLION



UNIVERSAL PHARMACARE
\$10 BILLION

Where the Parties Stand



The NDP and Greens have the most comprehensive plans to close these loopholes in their election platforms, with both committing to close or limit loopholes for capital gains, stock options, corporate meals and entertainment expenses, and offshore tax dodging.



The Liberal Government's 2019 budget promised to limit the stock option loophole, but not completely close it. The Liberals have also included some proposals to limit offshore tax dodging in their election platform.



The Conservatives haven't made any commitments to close these loopholes and instead have promised to restore a \$500 million loophole that will only benefit the millionaire owners of private corporations.