
For Immediate Release

Family taxation briefing a success

OTTAWA, CANADA, May 26, 2008 — Dr. Jack Mintz, Canadian tax expert, presented his paper “Taxing Families: Does the system need an overhaul?” earlier this afternoon to an audience of 50 Hill staffers, Members of Parliament and the public on Parliament Hill today. Harold Albrecht, the Member of Parliament for Kitchener-Conestoga hosted the Institute of Marriage and Family Canada and Dr. Mintz on the Hill. The paper, an audio recording of the event and photos can be found online at www.imfcanada.org.

Mintz highlighted how and why the current approach to taxing families is “ambiguous” and inequitable. “Canada has an ambiguous approach to family taxation and no clear application of principle has evolved over time,” writes Mintz. “...Still today, a single-earner family pays much more tax than two-earner families. This is an issue that should be corrected, and this can best be achieved by providing opportunities for families to split income more readily,” he concludes.

The subject has not been without controversy. In February 2008 Dr. Jonathan Kesselman released a paper called “Income Splitting and Joint Taxation of Couples—What’s Fair?” The result was a flurry of articles in the press, some in favour, some against. While income splitting has been the subject of much spilt ink, Mintz identifies a bigger problem with the Canadian tax system, and that is an ambiguity toward family taxation in general.

But does the political will for this exist? To this question, Mintz replied: “The federal government has to be careful about budget projections and whether it goes into a deficit. On the other hand, you could start elements of it and expand it with the same approach as pension splitting.” The question and answer period highlighted how fiscal and social policy intersect in important ways. “Certainly in many families both parents must work, or they want to, but there is some evidence to show that tax policy can have an impact on those kinds of decisions,” Mintz said. “I had a student, Kevin Milligan, who is now teaching at the University of British Columbia, who did a wonderful study on the Quebec seven-dollar-a-day program. And he pointed out that it did give greater access for parents to work...but he also found to much controversy that the children in care did have some more negative results.”

A report released last year by the Institute of Marriage and Family Canada called “What’s at the heart of the Canadian family?” suggests that financial problems are the biggest problem for families today. “In Canada’s high tax environment, the Canadian family situation is made all the more precarious,” says Dave Quist, executive director of the IMFC. “Taxes have a impact on all of our lives—if more money were left in the hands of parents, they would have more freedom—for expenses like child care, clothing, sports—all the things families need.” He went on to say that family taxation makes good sense. “This is clearly not an ideological position, but rather a question of equity and fairness for families, who have a greater burden than childless Canadians.”

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