

# Alberta Could campaign calls for progressive taxes to fund public services

With fair progressive & corporate taxes Alberta Could collect this much additional revenue

# ▶ \$2,000,000,000

**A**lbertans know we live in one of the wealthiest places in the world, yet we are constantly told that we cannot afford to improve and expand our public services. This results in the government underfunding or cutting programs that support families, students, and seniors instead of addressing the revenue imbalance.

Instead of relying on the boom and bust cycle of our energy royalties, the Alberta Could campaign coordinated by Public Interest Alberta advocates for a progressive income tax and fair corporate taxes so that the provincial government will have the stable revenues to invest in important public services that benefit all Albertans.

It is time we had a serious conversation about our unfair flat tax system and low corporate taxes. This flyer will help educate Albertans about how our tax structure compares to other provinces and what we can do to ensure we have the resources to invest in important public services. We also hope it inspires people to get involved in advocating for these changes that will have a strong positive impact on our lives, communities, and economy.



## Progressive tax better for most Albertans

With a progressive income tax and fair corporate taxes Alberta Could raise an additional \$2 billion to invest in priority public services. We are the only province in Canada with a single rate income tax (10%), or flat tax. The federal government and all other provinces have higher tax rates for wealthy people, while keeping tax rates lower for low and middle income people.

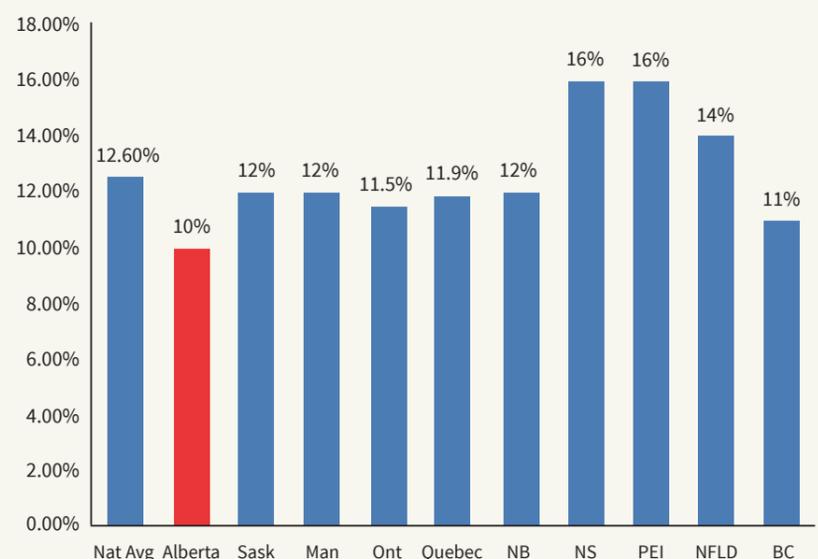
The flat tax only benefits wealthy Albertans. For instance, a person with a taxable income in Alberta of \$60,000 will pay \$1,100 more in income taxes in Alberta than they would if they lived in BC. Meanwhile, someone with a taxable income of \$1 million would pay \$41,000 less here in Alberta than if they lived in BC.

Instead of a 10% flat income tax, if there was a 13% rate on taxable income over \$100,000 and 15% rate on taxable income over \$150,000 (leaving the rate on taxable income below \$100,000 at 10%), this would bring an additional \$1 billion.

## Alberta's \$1 billion corporate tax giveaway

Likewise, if Alberta had the same corporate tax rate as Saskatchewan at 12% (the national average is 12.6%), this would also generate an additional \$1 billion annually. We currently have the lowest corporate taxes in the country at 10%. In the 1990s Alberta's corporate tax rate was 15.5%. The corporate tax rates only apply to large businesses with net profits of more than \$500,000. The small business tax rate is 3% in Alberta, which is higher than other western provinces but lower than provinces in Central and Eastern Canada.

Provincial Corporate Tax Rates



Below is a chart supplied by the Government of Alberta that shows the total additional funds that would be raised in Alberta using the tax structure of each province. As you can see, the totals are all well above the \$2 billion in additional annual revenue that we are proposing.

Additional Revenue Alberta Could Have Raised with the Tax Systems of Other Provinces, 2014 (millions)

	BC	SK	NL	ON	NB	MB	QC	PE	NS
Personal income tax	\$ 956	3,821	3,804	1,604	7,120	7,332	7,311	8,999	9,347
Corporate income tax	349	762	378	949	954	258	-561	3,243	3,019
Sales tax	5,700	6,560	8,015	8,015	8,015	8,321	9,993	9,016	10,018
Fuel tax	2,076	675	773	600	734	553	1,185	709	681
Health premiums	1,944	0	0	987	0	0	442	0	0
Payroll tax	0	0	865	2,438	0	1,719	4,712	0	0
Other taxes and revenue from alcohol	624	886	598	101	845	1,600	-328	1,174	777
<b>Total Additional Tax Revenue</b>	<b>\$ 11,649</b>	<b>12,704</b>	<b>14,433</b>	<b>14,694</b>	<b>17,668</b>	<b>19,783</b>	<b>22,754</b>	<b>23,141</b>	<b>23,842</b>

## What about a sales tax?

Every other province and the federal government also collect sales tax to help fund public services and infrastructure. In fact, if Alberta had a sales tax similar to BC or Saskatchewan, the next two closest tax jurisdictions, it would bring in an additional \$5 to \$6 billion annually. While some economists and conservative politicians are interested in exploring having a sales tax in Alberta, the Alberta government says in the 2014 budget that "the sales tax and health premiums imposed by many other provinces are disproportionately heavier on lower income individuals". So while it is important to look at how Alberta compares to all of the taxes collected in other provinces, the fairest way to address Alberta's tax imbalance is to establish a progressive income tax system.

# Alberta Could invest in quality public services

With Albertans' support for investing additional revenue in public services, we have identified a number of initiatives and programs Alberta Could fund. The below initiatives add up to just \$320 million. With our proposal bringing in \$2 billion in additional government revenues, these ideas are just a fraction of what Alberta Could do if we had fair taxes.



## Reestablish the Summer Temporary Employment (STEP) Program – \$7.4 Million

Founded in 1972, the STEP program provided employment for 3,000 students every summer with over 2,400 community organizations in Alberta. In the 2013-2014 budget the Conservative government cut this program that helped so many students find meaningful work experience and non-profit organizations to do projects that would not get done without this support.



## Achieve the government's own class size targets for kindergarten to grade 3 – \$130 million

The Alberta Commission on Learning recommended a class size target of 17 children for kindergarten to grade 3. With many new students and too few new teachers, only 14 out of 62 school boards are currently meeting the target. Achieving this class size target will help children to develop their full potential as they get more individual attention and additional support for the diverse needs in today's classrooms.

## Close the participation gap between underrepresented groups in post-secondary education – \$18 Million

Alberta currently has the lowest post-secondary education participation rate in Canada which was made worse by the \$97 million budget cut last year. In the last provincial election, the Conservative Party proposed a new bursary program aimed at rural and aboriginal students. The government also previously cut a grant for low-income students that should be reinstated so that all students have a fair chance to be successful.

## Create 10,000 more quality childcare spaces – \$26 million

The lack of access to affordable, quality early childhood education and care means many families are trapped paying for very expensive care or are not able to return to work or school. Wait lists at most quality childcare centres are longer than two years, and many smaller communities have few options available to young parents. The Alberta Conservative government ended the space creation program in 2011 (that provided \$1500 for each space that was created) and cut the \$7.1 million Childcare Quality Enhancement Grant in 2013. These funds should be targeted to areas with the highest need and not just given to childcare corporations to force out smaller operations.



## Operate an additional 1,000 public long-term care beds for seniors – \$78 million

Even though the population of seniors in Alberta is projected to dramatically increase over the next 10 years and there are currently over 1000 seniors waiting in acute care hospitals and at home for long-term care, the Conservative government is not investing in more public long-term care beds. Instead, the Conservative government is pouring millions of dollars into subsidizing corporations to take over the care of our most frail seniors.

## Increase AISH support by rate of inflation – \$35 million

Inflation in Alberta was 3.9% over the past year, yet for the second year in a row there was no increase in support for people who qualify for Assured Income for the Severely Handicapped funding. If this important social program is not indexed to inflation then it becomes harder each year for these Albertans to make ends meet.



## Increase Family and Community Support Services (FCSS) funding – \$25 Million

Family and Community Support Services (FCSS) is a unique 80/20 funding partnership between the Government of Alberta and participating municipalities or Métis Settlements. Services “must be of a preventive nature that enhances the social well-being of individuals and families through promotion or intervention strategies provided at the earliest opportunity.” Despite a growing population and rising costs, the Alberta Government has not increased the amount of funding going to the FCSS program since 2009 and has announced the current \$74.8 million annual budget will not increase for another 3 years. Municipalities are picking up the slack, but they have made it clear they need the provincial government to increase funding so they are not forced to cut these programs or take funds from other areas of their already overstretched budgets.

## Tell us what services you would invest in if Alberta had fair taxes

AlbertaCould.org allows you to join the conversation about what Alberta Could do with the additional revenue we would have with a progressive income tax and fair corporate taxes.

# Albertans want fair taxes to support important public services

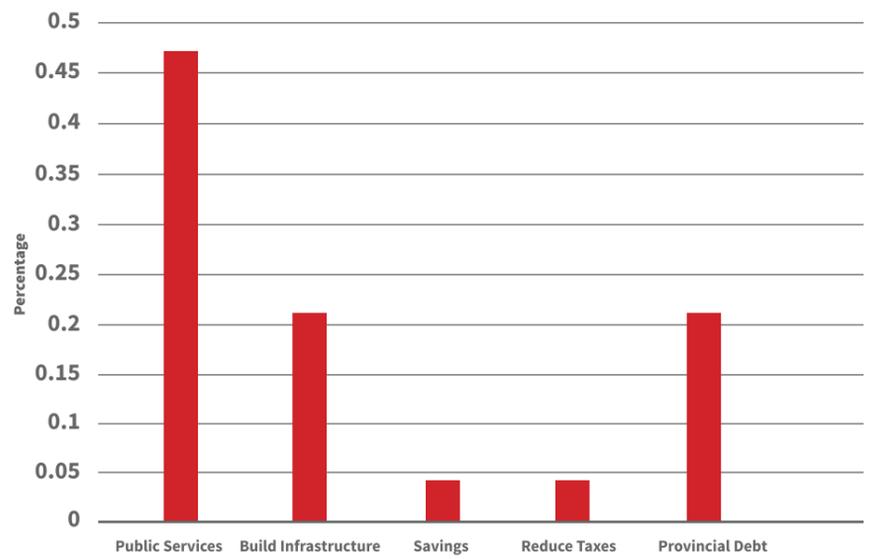
## Albertans want investment in public services

The top priority by far for Albertans, if our government raised an additional \$2 billion, would be to invest in public services (47%), followed by “Build more infrastructure – like schools and roads” (21%) and “Pay down the provincial debt” (21%). The lowest priority is to “put money into savings” (4%) and “reduce other forms of taxes” (4%). Support for public services, according to the poll, goes across the political spectrum. Supporters of all four major political parties in Alberta ranked investing in public services as their top priority.

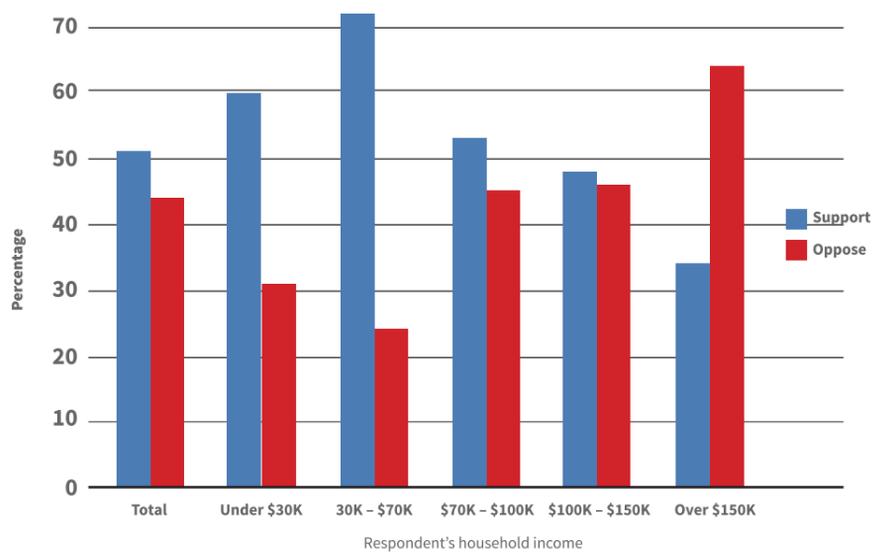
It is important for Albertans of all political stripes to let their elected representatives and each of the political parties know that investing in public services is their top priority. If they do not hear that message loud and clear, the parties receiving large corporate donations will continue to be guided primarily by their funders instead of by ordinary Albertans.

## Albertans in all income brackets support fair income taxes

The Environics poll also showed that the majority of Albertans support moving to a progressive income tax, including substantial numbers of people who would be taxed at higher rates.



Top priority if additional \$2 billion was raised



Percentage of Albertans who support or oppose higher progressive tax on income over \$100K by income bracket

## Albertans speak out for more investments in public services



### Jeff Carlson

Chair of Family and Community Support Services (FCSS) & Lethbridge City Councillor

“Over 318 municipalities and Métis settlements participate in the provincial FCSS Program, ensuring that Albertans have access to a strong network of prevention supports and social services. Provincial investment in the FCSS has not increased since 2009. Expectation is growing for the Province to also increase its share of the funding.”



### Katey Petersen

Chair of the Alberta Students' Executive Council (ASEC) and VP Outreach for Students' Association Grande Prairie Regional College (SAGPRC)

“Post-secondary institutions, like Grande Prairie Regional College, are fundamentally important, not only to students, but to the community as a whole. It is important that they are funded appropriately, so they can continue to give back to society.”



### Lori Sigurdson

Manager, Professional Affairs of the Alberta College of Social Workers

“Alberta is a province of tremendous wealth, yet we also have the greatest inequality. Women, Indigenous people and new comers are not reaping the benefits of Alberta's riches. Social workers serve Albertans who are disadvantaged by our elitest taxation system. Progressive taxation and fair corporate taxes are needed now, to ensure social justice for all Albertans.”



### Mark Ramsankar

President of the Alberta Teachers' Association

“Quality education is grounded in a fully-resourced and stable system, not hinge on the boom/bust of oil revenues. Ballooning class sizes, unsupported special needs and staff layoffs are the result of instable, unpredictable funding. Sustainable funding must come from stable revenue sources including fair corporate and progressive income taxes.”



### Allan Bolstad

Executive Director of the Edmonton Federation of Community Leagues

“The province must recognize the number of worthwhile programs that were lost when STEP funding was eliminated and must come up with another way of financing these initiatives. Not only did it help non-profits like community leagues offer summer programs, but it helped thousands of students get a start in the job market.”



### Elisabeth Ballermann

President of the Health Sciences Association of Alberta

“The Alberta Could campaign shows that this province can clearly afford to invest in key public services provided by skilled health professionals such as Paramedics, Lab and X-Ray Technologists, Pharmacists, Speech Language Pathologists and other rehabilitation specialists. We CAN afford to save lives and help Albertans to recover from illness and injury. That's good for Albertans who need the services, and ultimately good for all of us.”

# Take action for fair taxes and quality public services

## Join others in your community to speak out

In May and June of 2014, Public Interest Alberta, the Parkland Institute, and other partner organizations hosted a provincial tour in six cities to help Albertans learn more about Alberta's tax system and to hear from people what their priorities are for what Alberta Could do if we had a progressive income tax and fair corporate taxes.



## Learn more about progressive and corporate taxes



The Parkland Institute's research on Alberta's tax system and comparisons to the tax systems of other Canadian provinces served as the foundational information for the tour. In particular, their factsheet entitled "The Way Forward: Progressive Income Tax in Alberta" and their report entitled "Stabilizing Alberta's Revenues: A Common Sense Approach" have aided the Alberta Could campaign immensely. These resources can be accessed free of charge at [www.parklandinstitute.ca](http://www.parklandinstitute.ca).



## Spread the word

We have materials, both online at [AlbertaCould.org](http://AlbertaCould.org) and in print format, which you can use to educate your friends, family, and neighbours. If you would like print materials, please contact our office and request them.

## Get involved with us



Public Interest Alberta

We will have actions happening across the province over the next year, and we can make them even better with your help! Get in touch with our office by calling 780-420-0471 or e-mail [office@pialberta.org](mailto:office@pialberta.org) to connect with us.

## Donate to the campaign

We are changing the public conversation in Alberta, but we can't do it without the financial support of Albertans like you. We are always told what Alberta can't do because we are so short on revenue. This campaign has Albertans talking about what Alberta Could do if we had fair taxes. Go to [pialberta.org](http://pialberta.org) to contribute so we can get our message out to as many people as possible.