

ESNA: Alberta Sales Tax Debate

By: Colin Craig



“The New Tax Form”



**Canada Customs
and Revenue Agency**

**Agence des douanes
et du revenu du Canada**

**1040 EZ 2 DO TAX FORM
New Simplified Tax Form**

- 1. How much money did you make last year? _____**
- 2. Send it to us.**

Canada

Canadian Taxpayers Federation

- Non-profit, non-partisan
- Advocate for:
 - Lower taxes
 - Less waste
 - Accountable government



**Should Alberta
introduce a sales tax?**

NO!

Why not?

1) **No need**

2) **Economic Damage**











**\$12
Billion
deficit**



- * Balanced budget**
- * No tax hikes**
- * No major service cuts**

DECEMBER 2018



INDUSTRY STUDY

Canadian Provincial Governments Study: Global Risks Trump Domestic Stability

2015-16 Spending Comparison

	AB	BC
Expenditures	\$51.9 billion	\$46.9 billion

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Population	4.2 million	4.7 million

2015-16 Spending Comparison

	AB	BC
Expenditures	\$51.9 billion	\$46.9 billion
Population	4.2 million	4.7 million
Per Capita \$	\$12,418	\$9,993

Source: DBRS, Statistics Canada

2015-16 Budget Reimagined:

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Alberta Budget	Amount
Revenues	\$42,570,000,000

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Revenues	\$42,570,000,000
Expenses @ B.C. Levels	\$41,746,000,000
Surplus	\$824,000,000

Canadian Federal and Provincial Fiscal Tables

Table of contents

- Budget balances
- Budget balances relative to GDP
- Revenues, annual growth rate
- Revenues relative to GDP
- Total expenses, annual growth rate
- Total expenses relative to GDP
- Program expenses, annual growth rate
- Program expenses relative to GDP
- Program expenses per capita
- Net debt
- Net debt to GDP ratio
- Net debt per capita

Note: the tables are based on the public accounts of provincial and federal governments. Due to differences in accounting and reporting practices, figures are not strictly comparable between provinces. Moreover, a province's accounting and reporting practices may have changed over time, limiting the extent to which historical comparisons can be made.



2016-17 Per Capita Expenses:

Alberta	\$12,267
British Columbia	\$9,709

2016-17 Budget Reimagined:

Alberta Budget	Amount
Revenues	\$42,400,000,000

2016-17 Budget Reimagined:

Alberta Budget	Amount
Revenues	\$42,400,000,000
Expenses @ B.C. Levels	\$41,271,000,000

2016-17 Budget Reimagined:

Alberta Budget	Amount
Revenues	\$42,400,000,000
Expenses @ B.C. Levels	\$41,271,000,000
Surplus	\$1,129,000,000

Source: RBC, Public Accounts, [Statistics Canada](#), CTF Calculations

Is B.C. scrimping on services?











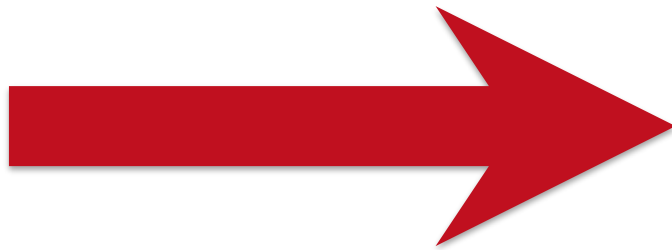




**B.C. is a much more
cost-effective
government.**



**\$12
Billion
deficit**



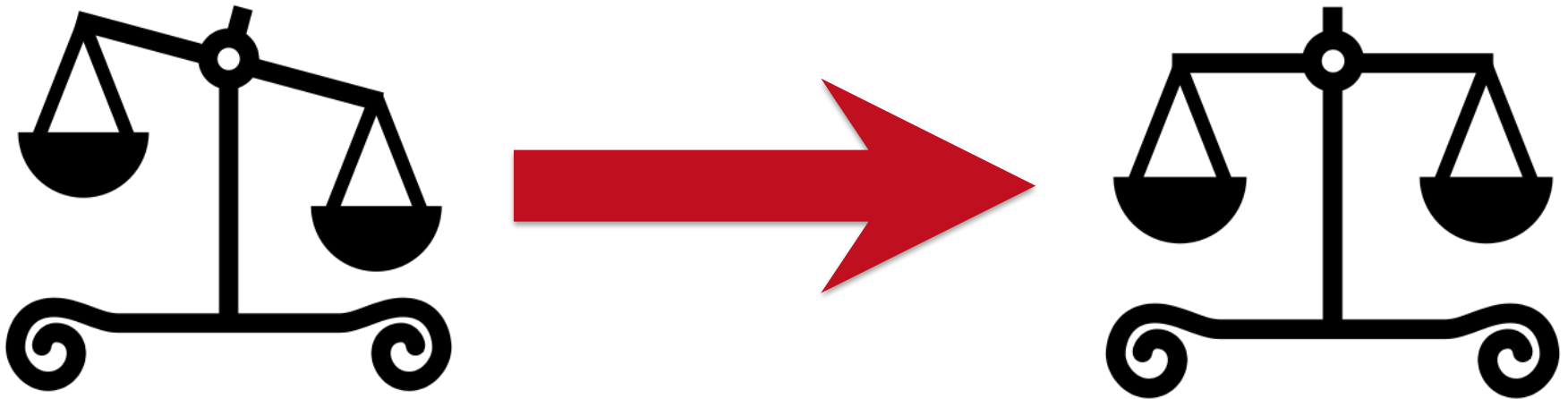
- * Balanced budget**
- * No tax hikes**
- * No major service cuts**

How can Alberta save money?



1) Salaries and Benefits:

- There is ample justification to scale back compensation in government:



1) Salaries and Benefits:

Category	Private Sector	Government
Salary differential	–	+7.9%
Workplace pensions	24%	73%
Probability of losing job	4.6%	0.4%
Sick/illness days/year	6.2	10.7
Retirement	–	1.1 years earlier

Source: Fraser Institute

FOUNDING PARTNERS

Deloitte

THE GLOBE AND MAIL

LEXPERT

the answer company
THOMSON REUTERS

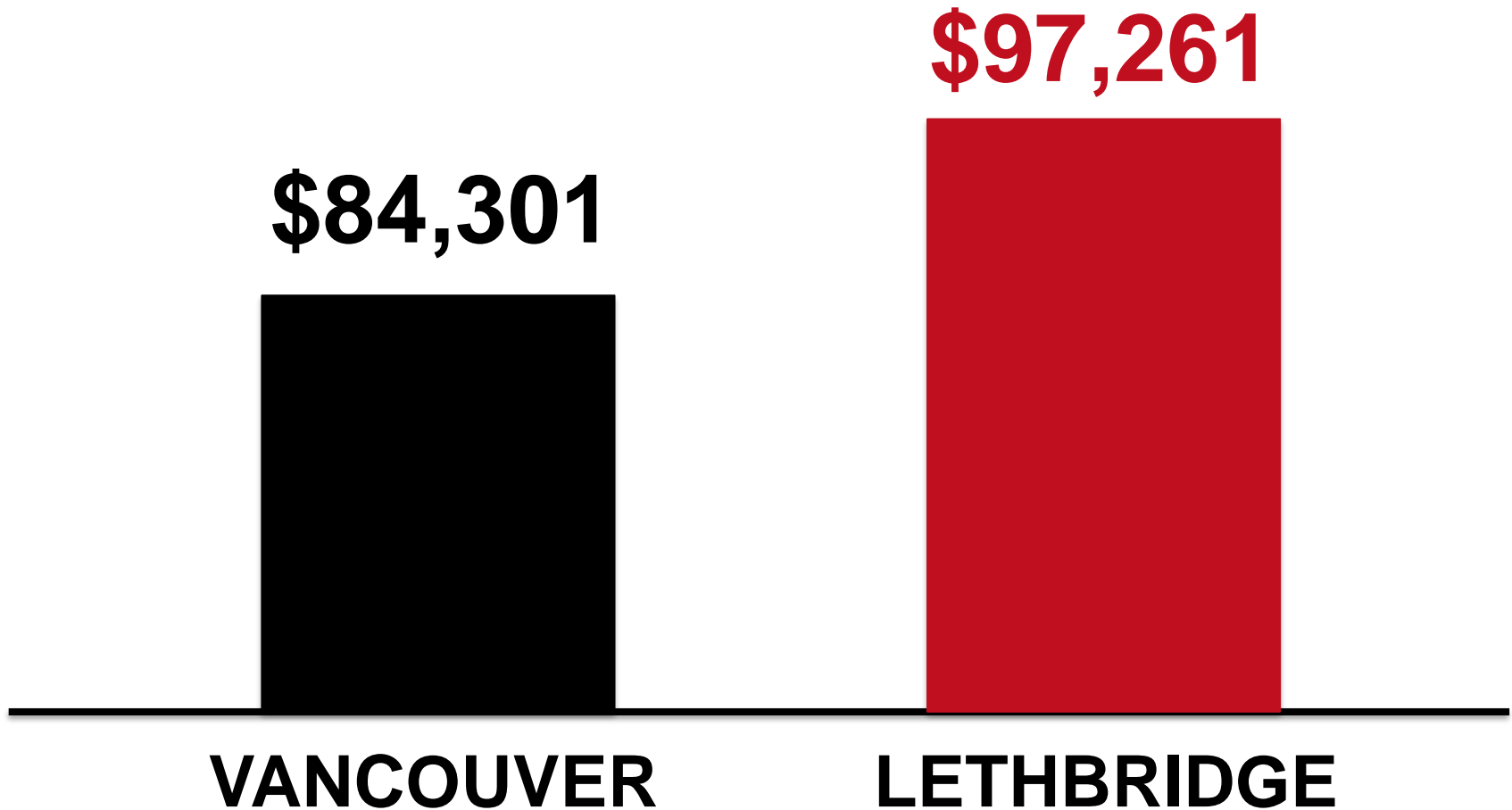
“The Alberta government projects that an overall surplus of teachers will continue there through to 2025.”



misconduct allegations

- 4 The winds of market change are upon us, Rosenberg's bullish view of the TSX, and two dividend dynamos worth buying more of

1) Salaries and Benefits:



1) Salaries and Benefits:

2015 CFIB report calculated a **17.4% compensation premium** for government employees over private sector counterparts – the majority of this different was due to golden pension costs



1) Salaries and Benefits:

- Pension spending has ballooned over the past decade:

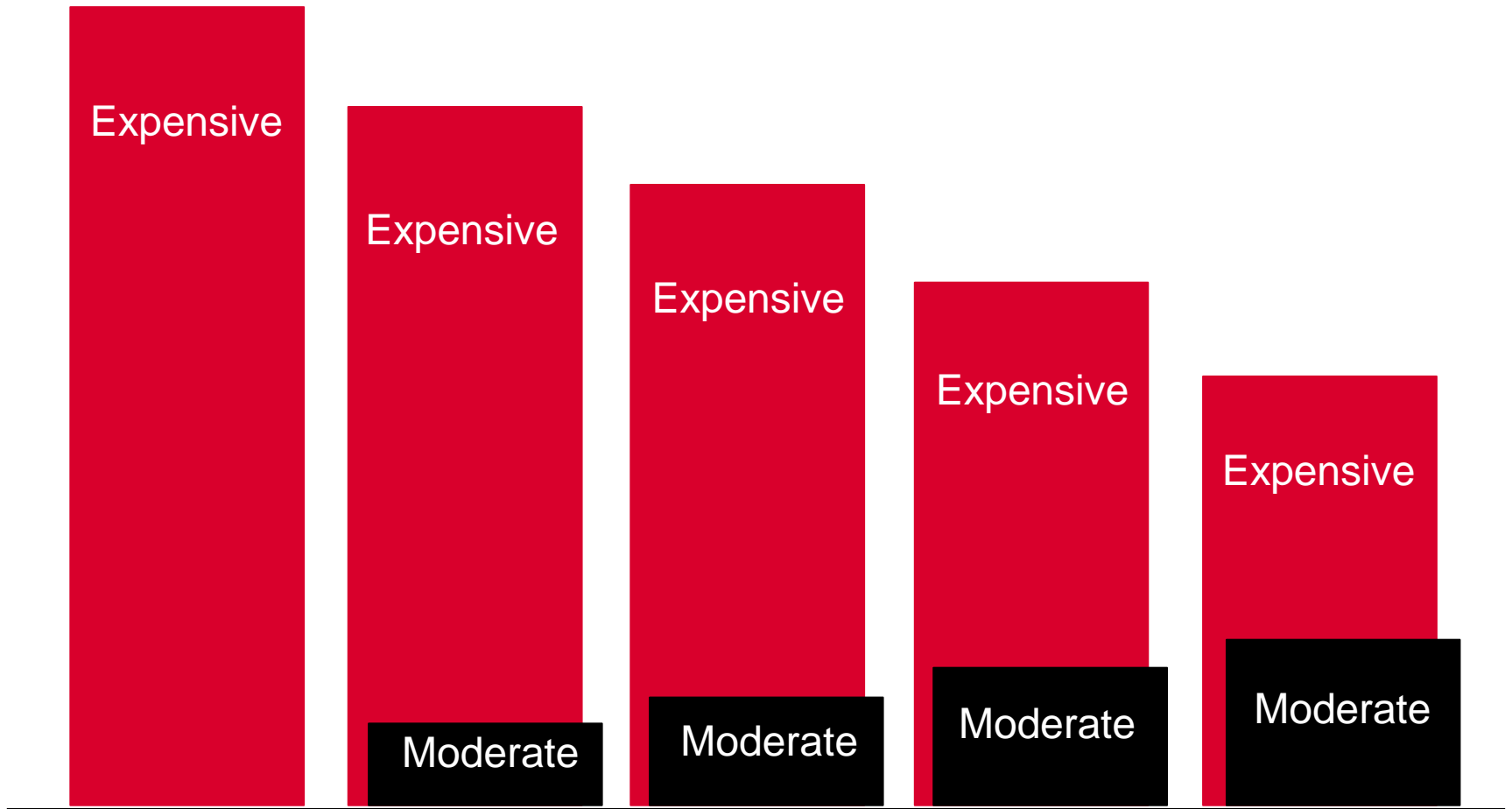
Plan	2006	2016	Increase
LAPP	\$435.7	\$1,341.5	208%
PSPP	\$121.8	\$347.9	186%

Allan Blakeney (NDP)

(Saskatchewan Premier 1971-1982)



Phase-in pension/salary reform



2) Gainsharing:

- To incentivize employees to come forward with money-saving techniques, we recommend implementing a gainsharing program – a program provides employees with a bonus for ideas that reduce costs while maintaining output.



3) Managed Competition:

- Managed competition involves opening up government services to competition while having current employees bid to keep their jobs
- Eg. Indianapolis reduced pothole repair costs by 28% while improving productivity by 68%



4) Delay Capital Projects:



5) Eliminate Corporate Welfare:



Economic Damage





PERSONAL LENDING

“Edmonton’s non-mortgage debt hit an average of **\$24,354**, with delinquencies rising to a rate of 3.7 per cent. And Calgary fared worse, hitting average consumer debt of **\$28,184** and delinquencies soaring to a rate of 2.9 per cent.”



TransUnion’s first-quarter report illustrates that Canadians have a strong handle on their debt, as long as their local economy is stable and rates remain low.

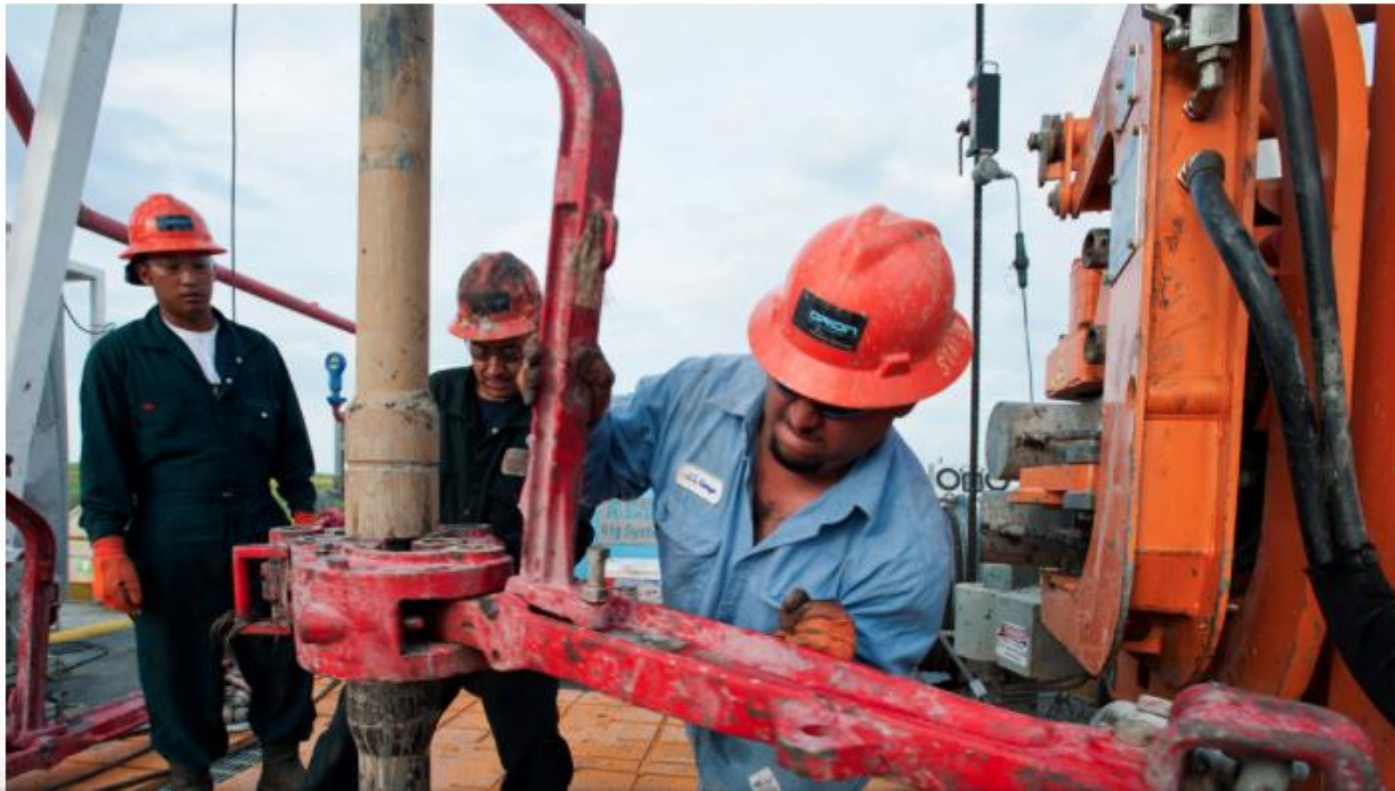
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growing the Ontario PC party, so he should get to lead

- 5 Quitting for the win: Why letting your kids give up might build their resiliency

Canadian drillers moving rigs south to chase brighter prospects in U.S. oilfields

Observers say it's unlikely drills moved to the U.S. will ever return home



Suncor to shun major new projects amid Canada's 'difficult' regulatory environment

'We're having to look at Canada quite hard,' said Suncor CEO Steve Williams



There's no
time than
to start b
#RetireRe



Roll over to be

ECONOMY

December 27, 2017 4:47 pm

Updated: December 29, 2017 7:36 am

Calgary restaurant bracing for carbon tax, minimum wage hikes in 2018

Global News **RADIO**
770 CHQR



By **Alyssa Julie**

Digital Content Coordinator 770 CHQR

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“You couldn’t come up with better policies to crush not only small farms, but I think small Alberta businesses in general,” – Paul Hotchkiss



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Canada Calgary

Leopie western wear business Riley & McCormick to close

“Guichon said more taxes, an increased minimum wage and inflexible landlords all helped pile on the business costs...”



Riley & McCormick Western Wear is closing its doors on Eighth Avenue downtown after more than 50 years at that location. (Yellow Pages)



Conclusion:

- 1) No need for a sales tax
- 2) A sales tax could cause significant economic damage

