



RESPONSE TO PETITION

Prepare in English and French marking 'Original Text' or 'Translation'

PETITION No.: **421-02566**

BY: **MR. BOULERICE (ROSEMONT-LA PETITE-PATRIE)**

DATE: **JUNE 20, 2018**

PRINT NAME OF SIGNATORY: **MR. JOËL LIGHTBOUND**

Response by the Minister of Finance

SIGNATURE

Minister or Parliamentary Secretary

SUBJECT

Tax system

ORIGINAL TEXT

REPLY

In Budget 2016, the Government committed to undertake a wide-ranging review of tax expenditures. The review's objective was to eliminate poorly targeted and inefficient tax measures. Budget 2017 took important steps to further enhance fairness in the tax system and to improve its efficiency and effectiveness.

In this regard, Budget 2017 eliminated the Public Transit Tax Credit (PTTC), effective for transit use occurring after June 30, 2017. When introduced in 2006, the PTTC was intended to encourage individuals to use public transit, thereby easing traffic congestion and improving the environment. Available evidence suggested that this credit had been ineffective in encouraging the use of public transit and reducing greenhouse gas emissions. Furthermore, since the PTTC was a non-refundable tax credit, it provided no benefit to Canadians with incomes too low to pay any income tax.

The Government remains committed to supporting public transit. Budget 2017 announced that we will provide \$20.1 billion in funding over 11 years to provinces and territories, plus at least \$5 billion through the Canada Infrastructure Bank, for improved public transit. This funding will make it possible for Canadian communities to build the new urban public transit networks and service extensions that will transform the way that Canadians live, move, and work.

Furthermore, the Government has put in place a plan to grow the economy in a way that works for the middle class and those working hard to join it. As one of our first actions, we introduced a middle-class tax cut for nearly nine million Canadians. Single Canadians who benefit are saving an average of \$330 each year, and couples who benefit are saving an average of \$540 each year. Another key part of the Government's plan is the Canada Child Benefit (CCB). Compared to the system of federal child benefits that it replaced, the CCB is simpler, more generous, and better targeted to those who need it most. Nine out of 10 families are receiving more in child benefits than they did under the previous system, and hundreds of thousands of children are being lifted out of poverty. To strengthen the CCB, the Government is indexing the benefit annually to keep pace with the rising cost of living starting in July 2018 – two years ahead of schedule.