



2021 FEDERAL ELECTION

A Comparison of National Political Party Campaign **Tax Proposals**



- Federal Election 2021 - Moodys Private Client's Summary of the Tax Platforms of the Liberals, Conservative and NDP Parties
- Note that only tax changes are discussed. Readers should review each party's policy platform in its entirety for a comprehensive perspective.

[Link to Liberal's election platform](#)
[Link to Conservative's election platform](#)
[Link to NDP's election platform](#)

	Liberals	Conservative	NDP
Macro Changes to Personal Taxation	No mention of overall change to income tax rates	No mention of overall change to income tax rates	Increase federal top marginal tax rate from 33% to 35% (applicable to income over ~\$210,000)
	Top income bracket individual (those earning over ~\$210,000) to pay at least 15% each year, preventing excessive use of deductions and credits.		A 1% wealth tax for multi-millionaires with over \$10 million in wealth.
	Anti-flipping tax on residential properties on properties held for <12 months, with some exceptions.	The Party Platform vows to never tax gains on principal residence [this is not a proposed change]	Increase capital gains inclusion rate from 50% to 75%
	Landlords to pay a proportionate surtax if increase in rent is excessive after a renovation.	Owner of rental housing to be able to defer capital gains tax when selling a rental property and reinvesting in rental housing.	
	National tax on non-resident, non-Canadian owners of vacant/ underused housing [previously proposed], and vacant land within urban areas [added to proposal]	Tax incentives to donate personal or corporate owned property to Community Land Trusts for affordable housing.	20% Foreign Buyer's Tax on sale of homes to individuals not Canadian citizen or permanent resident, or to foreign corporations
	Tax on luxury cars, boats and planes [previously proposed]	A study on potential new tax on frequent flyers, non-electric luxury vehicles and luxury second homes.	Tax on luxury goods like yachts and private jets
			Federal portion of GST/HST to be waived on construction of new affordable rental units
		Federal portion of GST/HST to be waived on zero-emission vehicle purchases	
		Income tax averaging for artists and culture workers	
Changes to Personal Tax Credit and Deductions	Career Extension Tax Credit of \$1,650 for seniors ≥65 who earn ≥\$5,000 at their jobs.	Rebuild Main Street Tax Credit: 25% tax credit on up to \$100,000 of personal investment in a small business over next two years.	Double the First-Time Home Buyers Tax Credit from \$5,000 to \$10,000.
	Labour Mobility Tax Credit: building and construction workers to deduct up to \$4,000 per year of travel and temporary relocation expenses.	Construction Mobility Tax Credit: construction workers to deduct up to \$4,000 per year of temporary relocation expenses.	
	Double the First-Time Home Buyers Tax Credit from \$5,000 to \$10,000.		
	Double the Home Accessibility Tax Credit to \$20,000.	Increase Home Accessibility Tax Credit from \$10,000 per dwelling to \$10,000 per person.	
	Multigenerational Home Renovation Tax Credit: 15% tax credit on up to \$50,000 of cost to add a secondary suite for immediate/extended family member.	Seniors or their caregivers (including their children) to be able to claim Medicable Expense Tax Credit for home care.	
	15% tax credit on up to \$500 of home appliance repairs performed by technicians.		
	Convert Canada Caregiver Credit into a refundable credit.		
	Expand Medical Expense Tax Credit to include reimbursed IVF expenses to a surrogate mother.	Convert Child Care Expense deduction into a refundable tax credit covering up to 75% of cost of child care for lower income families. (Max \$6,000)	
		Increase Adoption Expense Tax Credit from \$15,000 to \$20,000, and credit to become refundable.	
	Extend the Home Expense deduction to 2021 and 2022, and increase deductible amount from \$400 to \$500.	Explore and Support Canada: 15% credit on up to \$1,000 of vacation expenses per person for vacation within Canada in 2022.	
Increase the refundable Eligible Educator School Supply Tax Credit from 15% to 25%; expand eligibility to tech devices and teaching supplies purchased from anywhere.	Double the Northern Resident residency deduction and add new zones.		
Comprehensive review of the Disability Tax Credit and other related programs to ensure availability to people with mental health challenges.	Reduce eligible activities hours required to qualify for the Disability Tax Credit and RDSP from 14 to 10 hours per week.		
	Overhaul disability supports so that disabled individuals who earns income from work not worse off due to benefit decrease and tax increase.		

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	Liberals	Conservative	NDP	
Changes to Personal Benefits Administered Through Tax System	First Home Savings Account to allow Canadians under 40 to save up to \$40,000 towards first home, contributions deductible and withdrawal tax-free with no repayment requirement.	Expand Canada Child Benefit for women with children living in women's shelters.	Automatic retroactive enrolment of OAS and GIS	
	Increase OAS for age ≥75 by 10%, and increase GIS for age ≥65 by \$500 (singles) and \$750 (couples).	Canada Seniors Care Benefit: \$200 per month per household living with and taking care of a parent >70 years old.		
	Canada Workers Benefit to become automatic quarterly direct deposit; secondary earners can exclude up to \$14,000 of working income for the income test for this Benefit.	Double the Canada Workers Benefit up to \$2,800 for individuals, \$5,000 for families, and the disability supplement to \$1,500, and the Benefit will become a quarterly direct deposit.		
Changes to Corporate/ Business and Other Taxes	No mention of overall change to corporate income tax rates	No mention of overall change to corporate income tax rates	Increase general corporate income tax rate from 15% to 18%; whereas small business corporate tax rate to remain the same	
	Increase corporate tax on banks and insurance companies that earned >\$1 billion per year, and impose a temporary Canada Recovery Dividend that such companies will pay.	A Patent Box Regime which cut tax rate in half on income earned from patents on innovative products developed in Canada.	Temporary COVID-19 excess profit tax of 15% on large corporation windfall profits during the pandemic ["such as", or "and"? not clear] large corporations that received COVID subsidies and incurred executive bonuses, stock buy-backs or paid dividends.	
	Review tax treatment of REITs with residential properties to curb excessive profits.	"Tax relief" to the first five Canadian facilities that use new emissions reduction technology that provides meaningful reduction and has a high cost to build.	Internet giants to 'play by the same rules' as their Canadian counterparts on paying corporate taxes	
	Health care professionals obtains one-time income tax deduction of up to \$15,000 over first 3 years of practice.	Allow businesses with <\$60,000 in revenue to use simple cash accounting		
	Self-employed Canadians seeking to access EI will make EI contribution similar to an employee.			
	Immediate expensing up to \$1.5 million of 'growth-enhancing' investments [previously proposed]			
	Eliminate flow-through shares for oil, gas and coal projects.	Eliminate flow-through shares for oil, gas and coal projects.		
	Digital platforms to make CPP and EI payroll contributions when paying workers (and workers to benefit from CPP and EI programs).			Gig economy companies to be required to make contributions equivalent to CPP and EI premiums into their workers' portable Employee Savings Account; account grows tax free and can be withdrawn by workers 'when needed'.
				Canadian sales tax for foreign tech companies [already proposed by current Government]
				Digital Service Tax: foreign tech company to pay 3% of gross revenue in Canada if they don't pay Canadian income tax.
Exempt Canadian start-ups with over 2/3 of employees in Canada from current amendments to stock options rules.				
Enable Employee Ownership Trusts that provide tax advantage for company owners to sell their business to employees.				
Ensure "Bill C-208" will be implemented for intergenerational transfers of family farms.				
National tax on vaping products [previously proposed]		Increase disbursement quota for charitable foundations to 7.5%.		
		National tax on vaping products [previously proposed]		
		GST holiday for retail store sales, for one month this fall.		

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	Liberals	Conservative	NDP
Changes to Corporate Incentive Programs Likely to be Administered Through Tax System	Extend Canada Recovery Hiring Program to Mar 31 2022.	Canada Job Surge Plan: for six month after CEWS ends, subsidy of 25% of new hire wages, increasing to 50% based on length of unemployment. Based on max salary of \$1,129/week.	Wage and rent subsidies will continue until small businesses able to fully reopen.
	Temporary wage and rent support of up to 75% of expenses for the Canadian tourism industry for the current winter season.	Double Apprenticeship Job Creation Tax Credit.	Long term hiring bonus will be paid to small business to cover employer portion of CPP and EI for new or rehired staff.
	Reform SR&ED program to simplify and reduce red tape, better align to today's innovation, and make program more generous for companies who take big risks and create good jobs.	Reform SR&ED program: move administration from CRA to ISED; ISED to certify allowable deductions in order to ease compliance burden; and make it easier for software development to qualify.	
	Additional investment tax credit for renewable energy and battery storage solutions.	Canada Investment Accelerator: 5% investment tax credit for capital investments in 2022 and 2023, with first \$25,000 refundable for small business	
	Double Mineral Exploration Tax Credit for critical minerals essential to clean technologies, e.g. batteries.	Tax credit that promotes Carbon Capture, Utilization and Storage technology in the energy and other sectors that burn fossil fuels; with an additional early mover bonus for facilities in place before 2030	
	Investment tax credit up to 30% for a range of clean technology including low carbon and net-zero technologies, with input from experts on what technology will qualify.		
	Tax credit for small businesses to invest in better air ventilation systems.	Tax credit for Canadian businesses that buy from Canadian start-ups Government to cover first \$10K of administrative and legal cost of each of first five patents filed by Canadian small/medium business. Tax incentive for technologies that reduce contact between wild and farmed salmon.	
Changes to Enforcement of the Tax System	Modernize the general anti-avoidance rule (GAAR) to focus on economic substance, and prevent banks and insurance companies from flowing Canadian-derived profits to low-tax jurisdictions [previously proposed]	'Fixing' CRA's high-net-worth compliance program to ensure the wealthy "pay their fair share"	Close 'loopholes' such as eliminating bearer shares, compelling companies to prove economic reason for offshore transactions, getting rid of CEO stock option deduction, and improving transparency on taxes paid by large corporations
	\$1 billion per year to CRA to combat aggressive tax planning and tax avoidance	\$750 million per year to CRA to fund stronger enforcement re multinational firms, large corporations, international tax and tax evasion.	Boost compliance funding to CRA's enforcement section, dealing with international and corporate taxation to prevent evasion of new measures
	\$200 million over 4 years to FINTRAC, RCMP and CRA to detect financial crimes.	Impose a duty of care on CRA - a legal obligation to a reasonable standard	A Service Guarantee that makes government departments (including CRA call centres) responsible for establishing and publishing binding service standards.g corporate taxes
		Make Taxpayer Ombudsman as officer of Parliament with order-making authority.	
		Measure/report on tax gap so that CRA resources can be allocated to address identified problems. Revise CRA's penalties so that first-time errors carry minor fines, with increasing severity for repeat offenders. A "welcome to CRA" package for new small businesses.	
Comprehensive Tax Reform?	No mention of comprehensive tax reform	Comprehensive review of tax competitiveness, bring down rates and simplify the rules. An expert panel will be appointed to review and make recommendation	Review and reprofile tax expenditures that don't benefit everyday Canadians.
		Scrapping the consumer carbon tax backstop; instead Canadians to pay into their Personal Low Carbon Savings Account when buying hydrocarbon fuel; this Account can then be used for green purchases (e.g. transit pass, high-e furnace, etc)	



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