

Federal election – comparing the parties' tax plans

[Energetic music]

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In the lead up to the election, each of the three major parties has introduced a number of very interesting tax measures. Let's take a quick look at some of them.

[Tax platform: Liberal Party]

First of all, let's begin with the Liberals. They looked at a number of innovative things. One of them is called a tax-free, First Home Savings Account.

[A suburban neighbourhood. A young family carrying moving boxes into their new home.]

That would allow Canadians under the age of forty to save up to forty thousand dollars for a home purchase. We don't have a lot of details about that. But given the housing crisis, in certainly some parts of Canada, that might be helpful to younger Canadians looking to buy their first home.

[A young couple holding moving boxes in their new house.]

They're going to do other things for those of us who have been working from home.

[A desk with various office supplies. A father working at his laptop while trying to hold his active toddler. A woman seated at her home office in front of her laptop, talking on her phone.]

The home office expense deduction, they're going to extend that simplified method and increase the annual amount to five hundred dollars a year. That will be for the next couple of years. And of course, what's gotten a lot of attention is, of course, the hike in the income taxes on the banks where profits exceed one billion dollars.

[Financial district skyscrapers.]

Now, one of the things that they have looked at specifically to target high income individuals is a special minimum tax. So, we already have an AMT - an alternative minimum tax - but what the Liberals are proposing is that individuals in the top tax bracket will pay tax at a minimum rate of fifteen percent without regard to any deductions or various tax credits. So, again, that's something that's new that's been introduced. There's a bunch of other smaller things. Things like a home appliance repair credit, where if you have home appliance repairs of up to five hundred dollars, you get a fifteen percent credit that'll be worth seventy-five dollars.

[A woman opening her malfunctioning dryer, with smoke coming out of it. A repairman fixing a dishwasher.]

[Energetic music]

[Tax platform: Conservative Party]

Moving on now to the Conservative Party. I think the big news for some people that are looking to make some purchases in the fall is that they're promising one month of GST-free purchases at retail stores.

[A woman in the stock aisle of a big-box furniture store. Busy escalators in a shopping mall. A couple walking with their young child in a shopping mall.]

So that would be served as something to stimulate the economy. That'll be interesting. A couple of credits that the Conservatives have been proposing as well - the rebuild Main Street tax credit, which would be a twenty five percent credit on investments in small businesses, up to one hundred thousand dollars.

[A sign on a store that reads 'Welcome we are open, please come in. A young businessman talking on his phone.]

That's over two years. To encourage Canadians to travel in Canada, a vacation expense tax credit. That's a fifteen percent credit for 2022 for Canadian vacations, up to a thousand dollars.

[A beautiful cave that looks out onto a forest, with several vacationers in the area. An inflatable boat holding several people, going down white water rapids.]

And those are the kind of the main things. There's a few other things for small businesses and some things for mental health and a disability tax credit. But for the most part, those are the main platforms. Not a lot there.

[Tax platform: NDP]

And then finally, of course, in the NDP platform, we have some major proposals. Number one, the increase of the capital gains inclusion rate, which is now fifty percent; that will go up to seventy five percent. Increase in the top marginal tax rate, which is now thirty-three percent federally; that would go up to thirty five percent. And of course, the wealth tax: a one percent wealth tax on individuals with over ten million dollars in wealth. They would bump up the corporate tax rates reversing the tax rate reductions back to 2010 levels. And they would introduce an excess profit tax for COVID-19, which is a tax on large corporate windfall profits incurred during the pandemic.

[Several transport trucks parked in a factory loading bay. A factory worker pulling a skid of goods.]

And finally, they would introduce a foreign buyer's tax for residential property, a twenty percent tax on the cost of foreigners buying residential property in Canada.

[The Vancouver skyline at dusk, dotted with condos. The Calgary skyline at dusk.]

So, there you have it. All three parties, some of the major announcements. We don't have a lot of details there. Certainly, there's lots more - for more information you certainly can go on to any of the parties' websites and download their detailed plan, which has details about all of these proposals and many more.

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