

FIRST SESSION - TWENTY-EIGHTH LEGISLATURE

of the

Legislative Assembly of Saskatchewan DEBATES and PROCEEDINGS

(HANSARD) Published under the authority of The Honourable Corey Tochor Speaker

N.S. VOL. 58 NO. 15A TUESDAY, JUNE 13th, 2016, 13:30

Income Tax Amendment Act

Mr. Forbes: — Thank you very much, and that's a very good introduction. I hadn't heard . . . [inaudible] . . . like that before, but very good. Welcome as well.

So as I was saying, eliminating the active families benefit, we'll have to know more about the research when they said it didn't quite reach or meet the targets that it had set out to do, and how they are looking at Creative Kids or KidSport to actually meet that objective.

I'm not sure if that's the case because Creative Kids and KidSport I know are a direct grant to children who are looking to play a certain sport or get involved in a certain art, and it's a very straightforward thing. It's a grant. And so when you have a tax credit, that's very different. And so we know that people who are applying for tax credits quite often wouldn't qualify for that grant, because the grants are for lower income, and this tax credit was for probably a little higher tax bracket than what Creative Kids in art and KidSport were doing.

And I have to say a shout-out to Creative Kids and for KidSport. I'm familiar with both of them. They do a fantastic job, and I would really hope that they continue to do the work, and because they are fully funded as a non-government organization, that they don't feel pressure from the government to start to change their requirements because of this change. So we haven't contacted them, and we probably should talk to them and say, so the government is saying that you're going to meet their target — is that what you really think is going to happen? I don't know if that's going to happen. That would be very, very interesting to hear.

So there's some 3,000 kids. The other thing I'm thinking about when there are 3,000 kids, that we've been, every day I've been presenting a petition about heritage languages, and we know that impacts about 4,000 children. And we had just an example of a heritage language just minutes ago in this House and it was a very . . . as at the family root, and that's a wonderful thing.

And so here we have 4,000 children who are going to be impacted by the changes around the heritage language program. And that's a small, small, small amount of money compared to this \$5.5 million that this government is going to save by eliminating the active families benefit.

The active families benefit program right now is running about . . . It costs about 5.5 million to the government. They plan on cutting that and saving that and not sharing it. I mean it would be interesting if they said, okay, we are going to try to even spend a small amount of that 5.5 million — say 225,000. That would be a good round number that they could take from that and say, you know what? We're going to support something like the heritage language program because we know the heritage language program is impacting 4,000 kids. So now we have 7,000 kids in this province who are impacted by the changes. And if you . . . [inaudible] . . . your family, say that's 3 or 4,000 families.

Now interestingly the minister in the House defended the cuts to the heritage language program by saying it's only \$55 per student and a family can pick that up. Here we have that \$55, and if you add now the \$150, parents are being caught with an increase of \$200 more for active children who would be involved in sports or culture or the arts. And that's not a small thing if you have two or three or four kids. All of a sudden you're looking at 4 or 6 or \$800. That's a change in what this bill means to you. And of course then we can also get into the new increases in the drug plan as well. So all of a sudden it is costing some families more, and I don't know if the government has taken that into account.

The other one that I just want to make a quick note on, because I know there are many bills that we want to get to today, is around making housekeeping changes to reflect the middle-class tax cut and that's in brackets — the middle-class tax cut — introduced by the federal government. And we want to make sure we're very careful about this to make sure that tax cuts really actually do what they're intended to do, because as we understand the federal tax cuts that . . . The Liberals are saying this is for the middle class and it really isn't.

In Canada we know the median income is about 44,000, but the federal Liberal tax cuts doesn't impact anybody who makes 44,000. You won't be seeing a tax cut. Who will be seeing a tax cut are those who are making over \$200,000. Lucky them. And I don't know when the change of definition of middle class came, but usually I thought it was around 40 or 50,000. It was the working class, or maybe a little bit above that, but not the upper class. Clearly, \$200,000 you don't need a tax cut really, and that was not what the federal Liberals campaigned on. I don't think here in Saskatchewan we should be unintentionally supporting that.

Now we would want to know from the government — and we'll be asking these questions — have they done their homework on the impact of these housekeeping changes to reflect the middle-class tax cuts. You know, is it really . . . Is it helping the people who are making the high incomes, the over 200,000, or is it really doing the job of cutting taxes for the middle class? So we're aware of that and we're going to be watching that.

And we're going to be talking to the folks — especially in committee, the finance folks — to make sure that that's not the case; that in fact people who are middle class here in Saskatchewan, and I would say that's got to be . . . And it would be interesting to hear what the minister says about his definition of who the middle class is. Maybe his definition of the middle class is around 200,000, but I don't think that's one that we would accept on this side of the House. It would be . . . Middle class really usually means the middle or median income, so that would be around 44,000. So we think this is an important area to be watching for because we don't want to get caught up in unintended consequences. And we know the new government in Ottawa could be making some mistakes with their new changes.

So, Mr. Deputy Speaker, these are the three areas that I do want to focus on. And I think that it's really important that we do take a look and we do have some time to study these and find out what really the impacts will be, you know, the changes to the definitions of primary steel production. What is the impact on that? What does that really mean?

We know that now in Saskatchewan's economy that it's not as robust as it was a couple of years ago. We hope that we can do things that will make sure it's stronger and actually creating new jobs. We're not seeing that. We've seen a loss of some 9,000 jobs year over year, and we want to see that be changed. So hopefully that does meet the goal of increasing jobs in that sector and also in the manufacturing processing sector, that people are being hired. And we want to know, does that really meet its job? And are people really being hired and is it doing, meeting the target that's set out? So I know our Finance critic will be hard at work in committee on these questions that I've laid out.

So with that, I just want to review before I wrap up in about five minutes here that we will be looking and talking about the graduate retention plan tax credit, that it's actually working and it's accessible to those who can really be excited about getting a new home, their first home. And that's what it's really meant to be.

[16:15]

We are going to be talking about the active families benefit. And I might actually come in and ask about that because I think that's a big issue, you know, when you have 3,000-kids-plus being targeted and having, losing \$150 towards a sport, whether that be hockey.

We had a great statement about Gordie Howe today. I think that the whole House got behind that 100 per cent. And the story of how he got started and how his mom bought a bag of clothes that had, there was a pair of skates in it. That was his first skates. Huge, huge, impact. We've come a long way from there. And in some ways it's kind of sad because kids like Gordie Howe who was so poor and got a start like that, I mean his story, his early years really can choke you up about what happened in terms of . . . [inaudible interjection] . . . Yes, not quite in my constituency. I am so sad to say it's not mine, but in the great constituency of Riversdale, King George school. And I know there's probably a strong rivalry between King George and Princess Alex and Westmount and Caswell. I think he ended up in Mayfair; I'm not sure. But I digress.

But I know there's some interesting . . . Mr. Deputy Speaker, reflecting on that member's statement, you know, and the active families benefit, it seems odd that on that same day we have that bill introduced that would hurt kids, and here we are talking about that. So hopefully KidSport can pull up and fill that void, but I'm not sure when we're saying we've got 3,000 more kids for you to deal with. That's a big, big, a big, big ask.

So we'll be asking about that and we'll be asking definitely, Mr. Deputy Speaker, about the middle class tax cut. We're going to get more information on that and making sure that it actually does impact and really work for the middle class here in Saskatchewan. We have some big, big questions about that.

So with that, Mr. Deputy Speaker, I know we have lots of work to do today, so I want to wrap up my comments about An Act to amend The Income Tax Act. And I don't want to say anything about changing the name to the Gordie Howe Act or anything like that. But I'll leave it at that, and I just want to adjourn the discussion right now. Thank you.