

2008 marked important victories for your CTF. The campaign to eliminate Alberta health care taxes was realized and substantial tax relief landed in Saskatchewan. Your CTF made progress on leading public opposition to carbon taxes both in British Columbia and during the federal election campaign. We welcomed more gas tax dollars being reinvested in our roads and infrastructure passing a key milestone set by your CTF in 2003. We continued to blow the whistle on federal spending and by New Year's Eve, stood as arguably the only public advocate in the country opposing the return of deficit budgets.



by **Troy Lanigan**
President

Premier Stelmach announced that health taxes would be phased out over four years. That deadline was later accelerated to January 1, 2009. First initiated by your CTF in 2003, the successful outcome of the campaign against the health premium will return \$1,056 to the average Alberta family. Widespread media credit was

unambiguous: "The happiest guy at the legislature might have been Scott Hennig, with the Canadian Taxpayers Federation, which has campaigned tirelessly to get the premium scrapped," reported the *Edmonton Sun*.

Not to be outdone, Saskatchewan introduced its own tax reduction measures urged along by your CTF. The main element was a \$4,000 rise in the basic personal exemption, giving Saskatchewan the country's second-highest BPE at \$12,945. This move alone will save every taxpayer \$440 annually. In addition, the province increased provincial sales tax rebates and hiked its child tax credit by \$2,000 to \$4,795. And last year's \$2.6 billion debt repayment is expected to save Saskatchewan taxpayers \$900 million over the next five years.

In Ontario, the CTF continues to hold off new taxing powers for municipalities. A report

On release of the CTF's tax reform report "Lower, Simpler, Flatter," Manitoba director Adrienne Batra compares the original 11 page Income Tax Act with today's 2,226 page version.

Lobbyists call for 'flat' tax reform

15%, 25% BRACKETS

OTTAWA - A leading taxpayer lobby group called on the minority Conservative government to embark on comprehensive tax reform in its next budget and move to two federal income tax rates of 15% and 25% by 2012.

Calling for tax reform

We entered 2008 with a bang as our report, "Lower, Simpler, Flatter" – a comprehensive income tax reform proposal – received academic and editorial praise across the country. The *Montreal Gazette* summed, "The taxpayers federation has developed an excellent reform plan with no losers, save for accountants."

Tax relief victories

On the eve of an Alberta election call in February 2008,



from the Association of Municipalities of Ontario delivered in October was widely expected to recommend Toronto's new taxing powers be extended to all Ontario municipalities. But thanks to opposition led by the CTF – new taxing powers remain confined to Toronto.

Federal budget and gas taxes

The 2008 federal budget had a few commendable items of its own. The CTF welcomed Tax Free Savings Accounts as part of the 2008 federal budget and applauded a commendable 3.4 percent increase in spending. Unfortunately, the federal government failed once again to control its spending and blew that target by a long shot.

Fortunately, the federal government didn't blow its target in making better use of gas tax revenues. The CTF was pleased to announce as part of its tenth annual Gas Tax Honesty Day that the percentage of federal gas taxes dedicated to roads and infrastructure would top 52% in 2009. This exceeds the 50% target established by the CTF in 2002, a year where just 7% of gas taxes were dedicated to roads.

Fighting for homeowners

The CTF also released a property Tax Cap proposal, calling on provincial governments across Canada to limit municipal property tax increases to the rate of inflation. The proposal would freeze residential



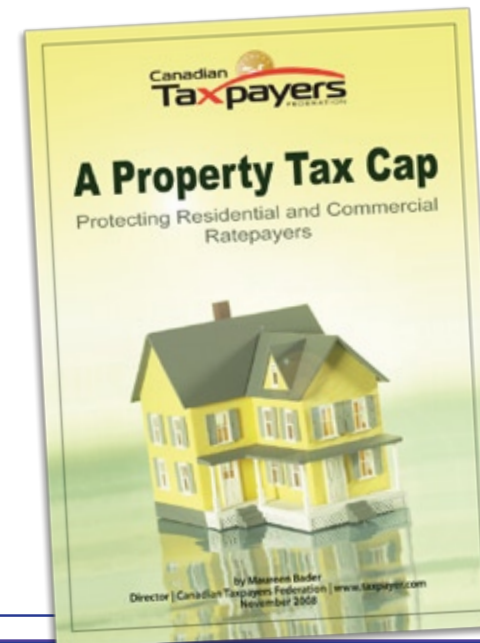
property tax rates and create a new sales-price based assessment process tied to the rate of inflation. The proposal further called for equalization of rates across property classifications, rules to allow citizens to vote on local tax levels and adoption of more user-based funding for local services.

A new watchdog in Manitoba

Colin Craig took over the Manitoba post in May and made dogged and successful use of information requests. He exposed more than \$4 million spent by provincial departments on lip balm, golf balls, manicure sets, and other promotional items. Later, he revealed that Manitoba crowns had given more than \$25,000 for attendees of the 2006 Western Premiers Conference, including a free concert with country artist Doc Walker. Craig's embarrassing findings ended a money-losing City of Winnipeg boat tour and annual "spa days" for agencies funded by the Department of Family Services and Housing.

Fighting carbon taxes

British Columbia meanwhile – ahem, ahem – "celebrated" Canada Day this



past year with implementation of North America's first carbon tax. This \$10 per tonne levy on greenhouse gas emissions will rise to \$30 by 2010. Outspoken CTF opposition to the tax helped sway public opinion even before the tax was implemented. An *Ipsos Reid* poll in June showed that 59 percent of B.C. residents were opposed to the tax, with almost half "strongly" opposed. As a result, the Official Opposition has stated their first act, if elected in 2009, will be to abolish the tax.

Of course, the carbon tax fight was not limited to British Columbia. Your CTF made opposition to Stéphane Dion's carbon tax and Stephen Harper's – even worse – cap and trade proposal its top priority during the federal election campaign. The CTF documented that these plans were anything but revenue neutral and CTF spokespeople were widely quoted across the country. The CTF staked new ground by launching an internet video and "viral" website called NoCarbonTaxes.com that earned media attention and thousands of visitors from coast to coast. The micro-site is a test of run of more on-line cam-

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campaign technology your CTF will be launching in 2009.

Opposing coalition

And who could forget the close of 2008? The minority Conservative government nearly collapsed over a refusal to neither reduce taxpayer subsidies to political parties [see page 16], nor plunge the country into



deficit. Your CTF sprung to action, calling on Canadians to write the Governor General's and demand she call an election if the current government was defeated in a confidence motion. In just 24 hours, a survey of CTF supporters solicited 2,300 responses and 118 pages of online comments.

As it turned out, the G-G agreed to prorogue parliament, an act that staved off demise of the minority Conservative government. But it didn't stave off the Liberal/NDP/Bloc coalition from getting the budget they wanted.

Leading opposition to the deficit

Early in 2009 the Conservative government brought in a budget that increased spending 11% and handed Canadian taxpayers their first deficit in 11 years totalling \$34-billion.

As the January 26, 2009 cover story in *Maclean's* magazine so aptly summed:

Here we are, with a Conservative gov-

ernment preparing to run a string of 'stimulative' deficits the likes of which we haven't seen since the early 1990s ... urged on by the Canadian Council of Chief Executives, the Conference Board of Canada, and the editorial board of *The Globe and Mail*. **Dissent, at least in public, has been confined to free-market think tanks [and] the Canadian Taxpayers Federation.**

Looking Ahead

2009 represents a renaissance for your CTF. Our founding in 1990 was grounded in opposition to massive and successive deficits racked up by Conservative politicians on the prairies and federally. Today, we prepare to go to battle again.

In February 2009, the CTF unveiled a new website: www.debtclock.ca to build public support for balanced budgets.

We go into 2009 armed with the lessons and experiences of the past; coupled with a renewed sense of purpose and new approaches which will ensure taxpayers are being heard. ■

2008 Year in Review

Office	Media Contacts	Events/ Speeches/Letters/Releases/ Reports/Meetings/Etc.
Ottawa*	747	87
Alberta	687	140
BC	655	148
Ontario	427	119
Manitoba	353	190
Sask	290	313
Totals	3,159	997

* CTF was without a federal director for two months.