

Private Members' Business

the form of an expense allowance. That amounts to some \$21,300. It is an extra 33 per cent.

It is 33 per cent for MPs and 50 per cent for every other politician in Canada. I am not sure why that particular scenario exists but suffice to say that every other elected politician in Canada is entitled to receive an allowance and that allowance is tax free.

Again, I emphasize the issue of fairness. No one else in this country is allowed to receive a regular income from their employment which is designed to be tax free.

Some might argue: "Yes, we politicians have expenses" and I for one will not debate that issue one iota. We certainly have expenses. I might even be prepared to suggest that we members of Parliament have expenses that exceed our allowance. That is not the issue on which I am standing in front of this House today. I am quite prepared to suggest that we have expenses but I believe that since those expenses are being reimbursed to us, they should be taxable like they are to everybody else in this country.

In my previous career as a sales representative, I also had expenses. At the end of the year many of those expenses were reimbursed to me, but lo and behold, on my income tax form there was this thing called a taxable benefit. That taxable benefit dealt with the free income I received, not in the sense of the performance of my job but to help pay the expenses related to the performance of my job. That was a taxable benefit and I paid income tax on it.

Yet all of a sudden when I was elected as a member of Parliament, I got that same allowance but it was no longer taxable. I guess what I am suggesting by this bill is that all politicians across this country who get that allowance, which each and every one of us does, ought to receive that income as a taxable benefit.

When we talk about it as a taxable benefit, some will argue that they have expenses and have receipts for those expenses. I guess I could ask each and every MP in this House, and all those across Canada in fact, do we not on many occasions buy tickets to fundraising dinners, to charitable events, and receive a tax deductible receipt for those expense?

I wonder how many politicians in this country take that tax deductible receipt and say: "I got this money tax free.

I will not deduct that from my taxable income". I would suggest there would be very few politicians in this country who would not take that tax deductible receipt and deduct it from their taxable income rather than from their tax free income. My bill, I think, sets out fairness that every Canadian in this country has that politicians do not have and that is a taxable benefit for taxable allowances that individuals receive.

When I talk about tax fairness I guess what surprised me most of all is when this bill went before the normal process to determine whether it should be votable, I thought it would be difficult. I understand it is controversial and I am not sure many members may rise in support of this bill in this House.

What surprised me most was the party that believes in tax fairness gave me the roughest time in the committee process. I find it rather interesting that a "do as I say, not as I do" kind of attitude applied in the committee process. There certainly was very little sympathy for this kind of bill, even though they believe people should pay their fair share of taxes.

Yes, this would have an impact. The impact would be if we made that tax free allowance now taxable as a taxable benefit, what would it mean to MPs? That \$21,000 would become taxable. I presume we are all in fairly high tax brackets so we would pay the 29 per cent tax rate. On top of that we would pay the provincial tax rate of some 55 per cent, plus the appropriate surcharges. That \$21,000 would probably cost every MP in this House somewhere in the realm of \$10,000 or \$11,000 further tax. I understand that. I for one would be quite prepared to say if that \$10,000 or \$11,000 loss because of taxation is unfair, fine, adjust the allowance. I am not going to argue that point at all. Adjust the allowance on total impact to the revenues of the government. It would make no difference because yes, give us \$10,000 more but it will be taken away in taxes. The net effect is minimal.

What makes it unfair is each and every year, as has happened for the last 40 or 50 years, this tax free allowance has existed. Every time an MP gets a raise, the fact a portion of it is not taxable is an increased benefit to high income Canadians and MPs are high income Canadians.