

constitute a very small minority. This high take up rate can be explained by the personal characteristics of those who are responsible for children and the fact that the credit is relatively generous. It is possible that some transient individuals will not apply for the GST tax credit for the same reasons they don't apply for the FST tax credit. The Committee has heard evidence from NAPO and the Association of Canadian Nurses that the take up rate for the FST credit is about 85%. With a relatively generous credit, however, such individuals have a strong incentive to inform themselves about the GST credit and apply for it.

E. Social Assistance and the GST Credit

(58) The GST credits are to offset the additional tax burden on middle and lower-income families. A common fear among social policy groups concerned the possibility that provincial governments will treat the refundable GST credit as income and reduce social assistance payments accordingly. This fear was expressed in several provinces. Should this occur on a wide scale, the federal government's claims about the distributional effects of the tax on low-income families would prove to be incorrect.

(59) Social assistance is usually determined by calculating a family's financial needs and comparing this with the financial resources at its disposal. In general, no province or territory considers the existing refundable child tax credit and sales tax credit as income for the purposes of determining social assistance benefits, although the Committee has been informed by the National Anti-Poverty Association (NAPO) that the province of Quebec now treats the FST credit as income for these