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## **Alberta Women Hardest Hit by the Alberta ‘Tax Advantage’**

EDMONTON - Women in Alberta have been disproportionately impacted by the 2001 shift to a single rate tax regime in the province, and now face higher income gaps, unpaid work gaps, and after-tax income gaps than women in the rest of Canada, according to the findings of a comprehensive new report released today by the Parkland Institute.

The report, *The Alberta Disadvantage: Gender, Taxation, and Income Inequality*, written by Queen’s University Law Professor Kathleen A. Lahey, argues that Alberta’s policy of “detaxation” has both created the current revenue crisis in the province and shifted a greater share of the tax burden onto those Albertans who are least able to afford it.

“From the perspective of both fiscal stability and equity, the changes made 15 years ago to how the Alberta government collects revenues have proven disastrous,” says Lahey. “In moving to a single corporate and personal income tax regime, the government has walked away from at least \$6 billion in annual revenues - roughly the size of the forecasted deficit for next year – and actually increased the tax burden for those income-earners at the bottom end of the scale, who are predominantly women.”

These tax changes, when combined with a lack of affordable childcare spaces, a series of tax and transfer measures that essentially encourage and subsidize women’s unpaid work, and the lack of effective mechanisms at the provincial level to implement gender equity commitments have resulted in a troubling slide in women’s economic equality in Alberta since its peak in the mid-1990s.

The report concludes with a series of 14 recommendations the government could implement in the upcoming budget and beyond to reverse the decades-long slide in gender equality in Alberta, restore stability to provincial revenues, and create a more equitable provincial taxation system, including:

- replacing the current single-rate tax system with graduated corporate and personal income taxes
- rejecting the introduction of new sales taxes or provincial consumption taxes
- removing all joint tax and benefit measures that discourage women’s participation in the paid workforce
- reinstating contributions to the Heritage Fund, and enacting legislation to limit the amount that can be withdrawn annually for budgetary purposes

“Alberta’s latest fiscal crisis is actually the perfect opportunity to correct the ill-advised policies of the past that have created the situation Alberta now finds itself in,” Lahey concludes. “Fortunately, many of the same policies that can finally get the province off of its

overdependence on unstable resource revenues can also begin to reverse the shameful lack of economic equality between men and women in Alberta.”

The Parkland Institute is a non-partisan public policy research institute in the Faculty of Arts at the University of Alberta. The publication *The Alberta Disadvantage: Gender, Taxation, and Income Inequality* and a summary of key information are available for download on Parkland's website at <http://parklandinstitute.ca>.

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