



## Chaire en fiscalité et en finances publiques

# Bulletin de veille

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### QUÉBEC/CANADA

#### BUREAU DU DIRECTEUR PARLEMENTAIRE DU BUDGET

DPB, « Sensibilité des perspectives budgétaires du DPB aux chocs économiques », 12 mai 2017, 16 p.

Une diminution de un pour cent du PIB réel entraînerait un manque à gagner annuel de deux milliards et demi de dollars dans les prochaines années

Le directeur parlementaire du budget (DPB) a lancé sur le Web un nouvel outil de simulation qui permet au public d'évaluer la sensibilité de nos projections financières aux variations dans certaines hypothèses économiques.

Cette nouvelle application sera mise à jour deux fois par année d'après les dernières perspectives économiques et budgétaires du DPB.

#### CENTRE CANADIEN DE POLITIQUES ALTERNATIVES (CCPA)

K. Ervine, B. Gifford et S. Thomas, « Aggressively Reduce Emissions and Provide Affordable Energy - Nova Scotia Alternative Budget 2017, Background on

Energy and Climate Change », 4 mai 2017, 9 p.

Budget alternatif de la Nouvelle-Écosse : la réduction des GES ne va pas réduire les revenus de la taxe sur le carbone

With the looming federal government deadline for provinces to institute their own carbon pricing scheme or have it imposed, the next Nova Scotia government will have a small window to move forward. This backgrounder urges the next provincial government to prioritize the transition to a greener economy and outlines a progressive policy on carbon pricing that should be adopted instead of the one being currently propose.

#### CHAIRE EN FISCALITÉ ET EN FINANCES PUBLIQUES (CFPP)

A. Genest-Grégoire, J.-H. Guay et L. Godbout, « Classes sociales et fiscalité : comment perçoit-on la classe moyenne? Des résultats confrontant la réalité et la fiction », Mai 2017, 49 p.

Alors que la classe moyenne représente 42 % des répondants, ils sont 56 % à croire en faire partie

La classe moyenne occupe une place prépondérante dans le discours de nos élus. Les politiciens

de toutes les orientations disent parler au nom de la classe moyenne et avoir à cœur ses intérêts. Ce cahier de recherche vise à mesurer le sentiment d'appartenance des Québécois à la classe moyenne, à la comparer à une mesure reconnue de cette classe et à observer comment cette perception influe sur leur perception de la répartition des impôts.

Une des définitions courantes de la classe moyenne est de considérer que les personnes dont le revenu est compris entre 75 et 150 % du revenu médian en font partie. Cette mesure indique, par exemple, qu'un célibataire québécois fait partie de la classe moyenne si son revenu est compris entre 29 et 57 000 \$ par an. Selon ces bornes, ce sont près de 42 % des ménages québécois qui appartiennent à la classe moyenne.

Par contre, lorsque l'on demande directement aux Québécois à quelle classe ils croient appartenir, près de 56 % d'entre eux croient faire partie de la classe moyenne. Ce sont majoritairement les personnes plus aisées, dont les revenus sont trop élevés pour faire partie de la classe moyenne, qui croient à tort en faire partie. Cette différence entre classe perçue et classe réelle se reflète également dans la perception de la répartition de l'impôt sur le revenu. Les Québécois pensent que, en moyenne, la classe fortunée paie près du quart des impôts et la classe moyenne la moitié. Il apparaît en fait que les plus fortunés paient près de 70 % des impôts et la classe moyenne environ 28 %.

Le cahier de recherche apporte un nouvel éclairage sur les inégalités de classes perçues et réelles au Québec et sur l'effet de telles perceptions sur la structure des débats politiques autour de la fiscalité.

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## CHAIRE EN FISCALITÉ ET EN FINANCES PUBLIQUES (CFFP)

L. Godbout et S. St-Cerny, « [Effet de la hausse du salaire minimum en 2017 pour les ménages travaillant au salaire minimum](#) », 1<sup>er</sup> mai 2017, 11 p.

Tous les ménages analysés verront leurs revenus disponibles croître significativement entre 2016 et 2017

Le 1<sup>er</sup> mai 2017, le salaire minimum augmente de 0,50 \$ l'heure au Québec. Pour tenir compte de

cette augmentation, Luc Godbout et Suzie St-Cerny mettent à jour certains résultats sur le salaire minimum présentés dans le cahier de recherche [Le point sur le soutien minimal de l'État : que reçoivent les ménages québécois?](#), paru en décembre 2016. Ainsi, le texte [Effet de la hausse du salaire minimum en 2017 pour les ménages travaillant au salaire minimum](#), qui paraît dans la publication [Regard CFFP](#), mesure l'effet de la hausse sur le revenu disponible des ménages et sur le ratio du revenu disponible par rapport à la Mesure du panier de consommation. En bout de piste, les auteurs confirment que la hausse du salaire minimum, combinée aux changements de paramètres fiscaux, permettent à tous les ménages analysés d'améliorer leur situation financière entre 2016 et 2017.

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## FONDATION CANADIENNE DE FISCALITÉ (FCF)

R. Boadway et J-F. Tremblay, « [Policy Forum: The Uneasy Case for a Canadian Patent Box](#) », 2017 65:1, 61-72, 12 p.

Le Canada devrait s'inspirer du Québec en matière de régime fiscal favorable aux brevets

Plusieurs pays, principalement des pays européens, ont adopté des régimes fiscaux favorables aux brevets (patent boxes) qui réduisent le taux d'imposition du revenu que les sociétés tirent de leurs projets de recherche et de développement (R et D) couronnés de succès. Le Québec a adopté un tel régime pour les entreprises manufacturières qui génèrent un revenu sur les brevets déposés dans la province, et le gouvernement de la Saskatchewan a annoncé qu'il en fera autant. Il a été demandé au gouvernement fédéral d'adopter un régime semblable pour le Canada. L'objectif est d'encourager les entreprises à investir dans des activités de R et D qui produisent une propriété intellectuelle et à exploiter leurs innovations au Canada. Les auteurs du présent article analysent l'intégration possible d'un régime fiscal favorable aux brevets dans la politique de R et D du Canada à la lumière de la littérature existante sur ces régimes et de l'expérience qui en est faite ailleurs dans le monde. Ils concluent qu'une approche double en ce qui a trait aux incitatifs fiscaux à la R et D comportant à la fois des mesures incitatives fiscales ex ante et des régimes fiscaux favorables aux brevets est raisonnable, surtout si les régimes

fiscaux favorables aux brevets s'appliquent à différentes formes de propriété intellectuelle. Cependant, lorsque de tels régimes sont adoptés, ils devraient être conformes aux lignes directrices établies par l'Organisation de coopération et de développement économiques dans le plan d'action sur l'érosion de la base d'imposition et le transfert des bénéfiques (BEPS), qui restreignent l'admissibilité en exigeant que les brevets soient déposés dans le pays donné.

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## FRASER INSTITUTE

K. P. Green, « [Poor Implementation Undermines Carbon Tax Efficiency in Canada](#) », Mai 2017, 9 p.

L'efficacité de la taxe sur le carbone est compromise par le fait que l'objectif principal des gouvernements provinciaux est de générer des revenus fiscaux à même la taxe au lieu de s'assurer de son efficacité

Provinces across Canada have implemented some form of carbon pricing, either through carbon taxes or emission-trading schemes.

These taxes are touted as being the most “efficient” way to control greenhouse gas emissions, yet be economically benign.

But in the real world, Canada's carbon taxes fall far short of the textbook ideal that would justify claims of efficiency. They fail on three key requirements.

First, to be efficient, carbon taxes must displace regulations, not be added to them. Second, the taxes must be fully rebated in reducing distortionary taxes such as income taxes, and third, the revenues from the tax should not be used to further distort energy markets with subsidies to substitute forms of energy.

Canada's experience with carbon taxes shows that governments have little interest in ideal implementation. Instead, rather than simply addressing greenhouse gas emissions efficiently, they prefer to create revenue streams for pet projects and retain the ability to transfer wealth.

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## ÉTATS-UNIS

### CENTER ON BUDGET AND POLICY PRIORITIES (CBPP)

C. Stone, « [In Forthcoming Trump Budget, Rosy Forecasts of Economic Growth Likely to Produce Highly Unrealistic Budget Estimates](#) », 3 mai 2017, 10 p.

L'administration Trump, en se basant sur des hypothèses irréalistes de croissance économique pour éponger ses compressions budgétaires, risque de faire exploser la dette américaine

President Trump's fiscal year 2018 budget is due to be released this month. If it reflects the very rosy assumptions of economic growth for the coming decade that he and Treasury Secretary Steven Mnuchin have been speaking about, its projections of federal revenues and deficits under Trump policies will be highly unrealistic, with serious implications for coming debates over tax reform, spending priorities, and deficit reduction. Secretary Mnuchin claimed recently that the Trump economic plan — including its large tax cuts — “will pay for itself with growth.”[1] But that claim rings hollow under more realistic growth assumptions.

## CENTER ON BUDGET AND POLICY PRIORITIES (CBPP)

T. Straw et M. Broaddus, « [House GOP Health Plan Cuts Tax Credits, Raises Costs by Thousands of Dollars for Californians](#) », 28 avril 2017, 13 p.

La réforme de la santé des républicains coûtera cher aux contribuables de la Californie

The House Republican legislation to repeal the Affordable Care Act (ACA) would raise total health costs — premiums, deductibles, copays, and coinsurance — by an average of \$2,800 in 2020 for people who buy health insurance through California’s marketplace, Covered California. <sup>1</sup> Health costs would rise and premium tax credits would fall for the average Covered California consumer in every county in the state. Specifically, tax credits that help people pay premiums would fall statewide by an average of \$1,500; average premiums would rise by nearly \$300; and out-of-pocket costs such as deductibles, copays, and coinsurance would increase by an average of \$1,000. Total out-of-pocket cost increases would be larger for people who have lower incomes, are older, or live in high-cost counties: in 32 of California’s 58 counties, average increases would exceed \$4,000, and in six counties, average increases would exceed \$5,000.

## INSTITUTE ON TAXATION AND ECONOMIC POLICY (ITEP)

ITEP, « [Foreign Account Tax Compliance Act \(FATCA\): A Critical Anti-Tax Evasion Tool](#) », 2 mai 2017, 8 p.

La loi FATCA est un bon outil pour réduire l'évasion fiscale

For years, a subset of the well-to-do and well-connected have been able to exploit the intricacies of our global financial system to shelter their income and investments from taxation. The U.S. government took a stand against this type of willful tax evasion with the passage of the Foreign Account Tax Compliance Act – or FATCA – enacted as part of the Hiring Incentives to Restore Employment (HIRE) Act of 2010.<sup>1</sup> FATCA is a financial disclosure and transparency law, conceived as a tool to

help the U.S. government crack down on tax evasion by U.S. taxpayers who hold investments in offshore accounts. FATCA has since become a model for international efforts to curb tax evasion and improve financial transparency. The law requires that certain foreign accounts and financial assets held by specified U.S. persons be reported to the Internal Revenue Service (IRS) on an annual basis.<sup>2</sup> Specifically, foreign financial institutions (FFIs) with U.S. clients are required to perform due diligence on both existing and future accounts to determine each accountholder’s citizenship and report to the IRS on accounts that meet certain criteria. Certain U.S. taxpayers holding specified financial assets are also required to report this information as an addendum to their annual tax return

## INSTITUTE ON TAXATION AND ECONOMIC POLICY (ITEP)

ITEP, « [What Real Tax Reform Should Look Like](#) », 27 avril 2017, 7 p.

Il existe plusieurs bonnes méthodes pour réformer la fiscalité américaine, mais celle que Trump propose n'en fait pas partie

Regardless of party affiliation, most politicians will concede that the middle-class is hollowing out, good jobs are too few, and ordinary Americans are financially standing still. Yet policy prescriptions from the Trump Administration and Congress pay lip service to these realities while recycling old hat policy proposals that would cut taxes primarily for the wealthy and corporations. This drive to use the tax code to redistribute money to corporate shareholders and the wealthy does not comport with the idea of economic populism, nor is it the will of the people. If lawmakers truly want to create an environment in which economic mobility is possible for more working people, budget-busting tax cuts are the wrong way to achieve this goal. Dramatic tax giveaways would force cuts to programs that provide early education, health care, job training, affordable housing, nutrition assistance, and other vital services that promote economic mobility. Further, current tax proposals from Congress and the Trump Administration defy what most Americans would consider true reform and, instead, embrace supply-side economic theories. This policy brief outlines two sensible,

broad objectives for meaningful federal tax reform and discusses six tax policies that can help achieve these objectives

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## INSTITUTE ON TAXATION AND ECONOMIC POLICY (ITEP)

M. Gardner, A. Russell Davis, R. McIntyre et R. Phillips, « [3 Percent and Dropping](#) », 27 avril 2017, 53 p.

Les 500 plus grandes entreprises américaines ne paient qu'un impôt représentant 3 % de leur bénéfice aux États américains, mais les États sont en grande partie responsables de la situation

The trend is clear: states are experiencing a rapid decline in state corporate income tax revenue. Despite rebounding and even booming bottom lines for many corporations, this downward trend has become increasingly apparent in recent years. Since our last analysis of these data, in 2014, the state effective corporate tax rate paid by profitable Fortune 500 corporations has declined, dropping from 3.1 percent to 2.9 percent of their U.S. profits. A number of factors are driving this decline, including: a race to the bottom by states providing significant “incentives” for specific companies to relocate or stay put; blatant manipulation of loopholes in state tax systems by corporate accountants; significant cuts in state corporate tax rates; and the erosion of state corporate tax bases, largely due to ill-advised state-level linkages to the federal system. How is this playing out in the states? Indiana offers one illustration. In 2011, state lawmakers enacted a significant across-the-board tax cut for corporations, which is still being phased-in and will eventually slash the state’s effective tax rate from 8.5 to 4.9 percent. But even with this cut on the way, the Carrier Corporation announced in February of 2016 that it was going to move 2,100 jobs from Indiana to Mexico. Later the same year, in a move that made national headlines, the “Carrier Deal” was struck by incoming President Trump and Indiana Governor Mike Pence, keeping 1,000 jobs in the state in exchange for a package of state and local tax incentives. Oddly enough, however, those incentives were dwarfed in size by the cost savings the company stood to receive from making the move to Mexico.

There has since been speculation that tax considerations were inconsequential to the company’s decision-making process and that Carrier, whose parent company depends heavily on taxpayer-funded federal contracts for its business, simply wished to remain in the good graces of the Trump Administration. Nonetheless, Carrier accepted both the incentives and the rate cuts while the state’s revenue collections for vital programs suffered as a result

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## TAX FOUNDATION

A. Cole, « [Interest Deductibility – Issues and Reforms](#) », 4 mai 2017, 10 p.

Éliminer la déductibilité des intérêts pourrait avoir des effets positifs

One major unresolved question in tax policy is the appropriate treatment for interest payments. Interest payments exist in a sort of in-between area for tax policy: interest involves money changing hands, but it creates no net increase in national income. Some tax systems attempt to track interest payments as they change hands and adjust tax burdens based on those interest payments. Other tax systems take a shortcut and acknowledge that on net, every interest payment has matching interest received elsewhere, and therefore, one can simplify the code by ignoring interest entirely. There are principled arguments for both approaches. For example, the argument for deducting interest paid and taxing interest received goes something like this: When money changes hands in the form of interest, an income tax would ideally want to follow the money until it reaches its final owner. Interest is income, after all, as most individuals understand it, and it makes sense to include all sources of income in one’s income tax liability. This is, at least in theory, the design for the U.S. income tax. For an alternative tax system, one could note that all interest payments and interest receipts cancel out, and therefore exclude both interest receipts and interest payments. This approach has its virtues as well, especially its relative simplicity. This is the design for a number of approaches to business taxation worldwide. These two approaches are not the only ones possible, but they are the two systems in which tax revenue is invariant to the amount of borrowing in the economy. Most tax systems, at least by their original intent, choose one of these two options for interest treatment. However, it is worth mentioning two

other potential systems. A system that taxed interest received but did not allow an equal deduction for interest paid would be a net tax on leverage. A system that allowed a deduction for interest paid but did not have an equal tax on interest received would be a net subsidy for leverage. While the U.S. income tax system is intended to match deductions for interest paid with taxes on interest received, in practice it is a convoluted mix of the systems described above. As a result, it hemorrhages tax revenue, distorts business decisions, and potentially even contributes to financial crises. This paper will address the deficiencies in current law treatment of interest, and discuss potential reforms, including options presented by the Congressional Budget Office (CBO) and the Better Way plan proposed by U.S. House Republicans.

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## INTERNATIONAL

### INSTITUTE FOR FISCAL STUDIES (IFS)

J. Cribb, R. Joyce et A. Norris Keiller, « [Minimum Wages in the Next Parliament](#) », Mai 2017, 18 p.

Les augmentations au salaire minimum proposées par les partis pendant l'élection actuellement amèneraient le Royaume-Uni à des niveaux comparables à celui de la France, parmi les pays où le salaire minimum en proportion du salaire moyen est le plus élevé

The Conservatives and the Labour Party both plan increases in the minimum wage by 2020 that would take it to an historic high. For those aged 25 and over, the Conservative plan would result in the minimum wage being £8.75 per hour in 2020. This is 5% higher than if it increased from its current level in line with average earnings. Under the Labour plan it would £10 per hour in 2020, which is 20% higher than under average earnings indexation.

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### INSTITUTE FOR FISCAL STUDIES (IFS)

H. Miller, « [What's Been Happening to Corporation Tax?](#) », Mai 2017, 13 p.

Les baisse d'impôt sur les bénéfices des entreprises ont coûté près de 17 milliards pour l'année 2017-2018

This briefing note provides background material for the 2017 General Election. Cuts to corporation tax rates announced between 2010 and 2016 are estimated to reduce revenues by at least £16.5 billion a year in the short to medium run. Accounting for measures that raise revenue, including anti-avoidance measures, onshore corporate tax policies over this period reduce revenues by an estimated £12.4 billion a year. Changes to corporate tax have represented some of the largest giveaways in both parliaments since 2010.

Corporate tax receipts as a share of national income are set to be at the same level in 2020–21 as they were in 2010–11. This is not evidence that cuts to corporation tax rates have not reduced revenues. Instead, it reflects the effect of other factors, including the ongoing recovery of financial sector (and other) profits following the Great Recession. Corporation tax receipts are forecast to be 2.3% of national income by 2021–22, substantially below the pre-recession high of 3.2%.

North Sea revenues have collapsed in recent years (the North Sea tax regime is actually forecast to cost the exchequer money in 2016–17) and look unlikely to form a substantial part of the UK tax base in future.

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### ORGANISATION DE COOPÉRATION ET DE DÉVELOPPEMENT ÉCONOMIQUES (OCDE)

F. Fuens et K. van Dender, « [The Impact of Energy Taxes on the Affordability of Domestic Energy](#) », 11 mai 2017, 43 p.

Une réforme de la fiscalité de l'environnement qui s'accompagne par des transferts aux ménages peut

## améliorer l'accessibilité à des sources d'énergie propres

Energy affordability can be defined as a household's ability to pay for necessary levels of energy use within normal spending patterns. This paper uses three indicators to measure energy affordability risk in 20 OECD countries. Energy affordability risk differs widely between countries. The countries with the highest GDP per capita tend to have the lowest levels of energy affordability risk. The paper then analyses how indicators of energy affordability change in response to a hypothetical tax reform that increases taxes on natural gas, heating oil and electricity in most countries analysed. Results show that, if combined with an income-tested cash transfer using one third of the change in revenue resulting from the tax reform, the reform generally improves energy affordability. If combined with a lump-sum transfer instead, results show that energy affordability increases only according to the most selective of the three indicators.

## RESOLUTION FOUNDATION

A. Corlett et M. Whittaker, *The Deficit the Election Forgot? Pre-election Briefing on the Main Parties' Fiscal Positions* », 11 mai 2017, 12 p.

## Le Brexit relègue à l'arrière-plan les débats sur le déficit au cours de la campagne électorale actuelle

While the deficit remains in place, it is heading back to the sort of level relative to the size of the economy that past generations have been comfortable with. With the process of fiscal consolidation dominating so much of the political discourse in recent years it's unlikely that many voters will be lamenting a dialling down of the volume in the new campaign. Yet it's an issue that still matters greatly, for reasons of delivery, debt and demographics. With this in mind, this note – the first in a series of pre-election briefings – looks at what we might expect from the main parties ahead of the publication of their manifestos.

## RESOLUTION FOUNDATION

D. Finch et H. Rose, « *A Mid-life Less Ordinary? Characteristics and Incomes of Low-to-middle Income Households Age 50 to State Pension Age* », 3 mai 2017, 28 p.

## Les contribuables qui approchent la retraite ont de plus en plus de difficulté à maintenir le même niveau de vie

This report provides an insight into the financial situation of those older low to middle income households highlighting the living standards challenges they face, some unique to this group but others shared by all working-age households. In doing so it aims to provide better understanding of the characteristics of older low to middle income families and provide a platform on which to start building more effective policy changes for this group.

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