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CHAIRE EN FISCALITÉ ET EN FINANCES PUBLIQUES (CFFP)

A. Genest-Grégoire et L. Godbout, « Analyse de l'abolition du crédit d'impôt fédéral pour le transport en commun », 29 juin 2017, 15 p.

L'effet du crédit d'impôt pour le transport en commun ne justifiait pas son maintien.

Mis en place en juillet 2006, le crédit d'impôt fédéral pour le transport en commun sera aboli le 1er juillet 2017. Lors de son instauration en 2006, le gouvernement conservateur indiquait alors qu'il voulait : « […] inciter les particuliers à utiliser les transports en commun. Le recours accru à ces modes de transport allégera la congestion routière en milieu urbain et protégera l'environnement ». Depuis son adoption, les débats entourant les mesures fiscales ciblées ont pris énormément d'ampleur partout en Occident. Associé au gouvernement conservateur de Stephen Harper, la mesure a été abolie par le gouvernement de son successeur libéral Justin Trudeau. En 2017, le coût projeté de ce crédit d'impôt était estimé par le ministère des Finances du Canada à 200 millions $. Le ministère indiquait également qu'environ 1,8 million de Canadiens avaient bénéficié de ce crédit d'impôt en 2014. Le crédit a fait l'objet d'analyses diverses pour mesurer son coût, le nombre et les caractéristiques de ses bénéficiaires, mais surtout son efficacité à réduire les émissions de gaz à effet de serre par le biais d'un usage accru du transport en commun.

INSTITUT C.D. HOWE

A. Genest-Grégoire, L. Godbout et J-H. Guay, « The Knowledge Deficit about Taxes: Who it Affects and What to Do About it », Juillet 2017, 20 p.

L'âge, le revenu familial et le niveau d'éducation sont des composantes déterminantes de la littératie fiscale.

Tax professionals argue that the tax system is too complex for ordinary taxpayers and that this sometimes makes their work for clients more educational than strategic. Tax complexity is not only a headache for these professionals but also a source of inefficiency and unfairness in our tax system as not every citizen understands it to the same degree. We use the tax system to support our retirement, education and poverty-reduction public programs. Failures of the tax system affect these programs as well. Weak understanding of taxes has also been shown to lower the level of trust of citizens in the tax system. This lower level of trust can translate into higher rates of tax evasion or avoidance, raising the cost of taxation for everyone.

Canada has experience assessing the financial literacy of its citizens and is developing policies to raise it. This issue is considered strategic as financial tools and markets become more and more complicated and our population is aging. The tax system is a financial tool that citizens must know how to use as much as mortgages or pension funds are. Drawing from the research on financial literacy, we aim to develop a method to measure "tax literacy." We evaluate, with the use of a survey administered by the polling firm Crop to Quebec citizens, the knowledge and skills of citizens concerning fiscal matters, understood broadly to include direct and indirect taxation as well as social transfers. Age, education and income are associated with higher knowledge of these matters, but not gender or being self-employed. Higher tax literacy is associated with a higher propensity for taxpayers to produce their tax return themselves rather than with the help of a professional. It also appears that women tend to underestimate their understanding of tax.

Tax literacy, and the methods for its measurement, are a new tool to assess the failures of certain policies such as the Children Fitness Tax Credit or the Canada Learning Bond to reach their target audiences. More generally, weak understanding of taxes contributes to lowered trust in our tax system, which underpins our social bonds. Assessing this issue is a first step towards making our tax system fairer and more efficient.

ÉTATS-UNIS

CENTER ON BUDGET AND POLICY PRIORITIES

G. Herrera et J. Friedman, « Unpacking the Trump Budget's Tax and Spending Plans and Unrealistic Assumptions », 29 juin 2017, 9 p.

Le président Trump promet le déficit zéro en 2027, mais ses promesses tiennent sur des prévisions irréalistes.

President Trump's budget includes deep spending cuts that would create hardship for millions of low- and moderate-income people, alongside massive tax breaks targeted to the most well-off. Numerous CBPP analyses have detailed the effects of these "reverse Robin Hood" proposals.1 This analysis unpacks the budget's spending and tax proposals and highlights the unrealistic assumptions that mask the budget's true effects. The Administration depicts its policies as reducing deficits by \$5.6 trillion over the decade, sufficient to balance the budget in 2027, with only a fraction of the savings coming from cuts to health and low-income programs. The budget also shows that the President is proposing \$990 billion in revenue losses. But this presentation hides two important facts. First, for President Trump's signature tax plan, the budget shows no net impact on revenues. That is, it simply assumes that unspecified revenue-raising provisions would offset the more than \$5 trillion cost of his proposed tax cuts, even though the Administration has not proposed tax policies that could plausibly offset that cost. Second, the budget assumes that the extra economic growth sparked by the Administration's policy proposals would reduce deficits by \$2.1 trillion over the decade. This "economic feedback" bonus is based on a rosy assumption that economic growth will rise to 3 percent per year by 2021, a rate that most economists find highly implausible.

CONGRESSIONAL BUDGET OFFICE (CBO)

CBO, « An Update to the Budget and Economic Outlook: 2017 to 2027 », 29 juin 2017, 32 p.

En 2027, le déficit des États-Unis pourrait atteindre 5,2 % du PIB.

CBO projects that over the next decade, if current laws remained generally unchanged, budget deficits would eventually follow an upward trajectory in relation to the nation's economic output, and federal debt would rise. Economic growth is projected to remain modest, averaging slightly above 2.0 percent through 2018 and averaging somewhat below that rate for the rest of the period through 2027. The budgetary and economic trends discussed in this report are similar to those CBO described in January, when the agency issued its previous estimates.

INSTITUTE ON TAXATION AND ECONOMIC POLICY (ITEP)

N. Buffie et C. Davis, « Trump Budget Uses Unrealistic Economic Forecast to Tee Up Tax Cuts », 29 juin 2017, 19 p.

Les conséquences du budget Trump pourraient s'avérer catastrophiques pour l'économie américaine.

President Donald Trump recently released a budget proposal for Fiscal Year 2018 that creates the appearance of reducing the deficit in nearly every year over the next decade and of achieving a balanced budget by 2027. In a move that shocked many observers, however, the proposal showed no direct impact on federal revenues from most of the major tax policy changes that the President proposed just one month earlier. Days before the administration released its budget, Vice President Mike Pence stated that President Trump would "sign into law the most consequential tax cut in American history." For his part, President Trump has described his tax plan as "maybe the biggest tax cut we've ever had." While a detailed estimate of the plan's revenue impact has yet to be produced, an ITEP analysis of a similar plan released by the Trump campaign indicated that it would reduce federal revenues by up to $6.4 trillion over a decade. And yet the budget not only lacked an acknowledgement of any drain on federal revenues, but in fact showed revenues increasing because of the exceptional economic growth that the President's overall policy agenda would allegedly unleash. Many of the details surrounding this budget's representation of the President's tax plan defy comprehension. "Accounting trick," "mystery money," "magic math," and "simply ludicrous" are just a few of the phrases uttered in the days following the budget's release.6 After initially trying to sidestep these criticisms by claiming that the President had not proposed a tax cut at all, the administration's budget director, Mick Mulvaney, ultimately made the astonishing admission that "I wouldn't take what's in the budget as indicative of what our [tax policy] proposals are." But while the budget's inaccurate portrayal of the President's tax plan has rightly sparked controversy, an even more fundamental manipulation of the budget has taken place with equally significant implications for the debate over federal tax policy. Specifically, the economic growth forecasts contained in President Trump's budget are unreliable and should not be taken seriously by anyone seeking to understand the nation's true budget outlook, and the impact of tax changes on that outlook.

TAX FOUNDATION

J. Walczak, « Unpacking the State and Local Tax Toolkit: Sources of State and Local Tax Collections », 20 juin 2017, 15 p.

L'impôt corporatif ne représente que 3.7 % des revenus des villes et États américains.

Maine has its blueberry tax and the voluminous Alabama constitution specifically provides for mosquito taxes in Mobile County—alas, the tax is levied on property, not mosquitoes—but when state and local governments wish to raise revenue, they generally turn to a traditional canon of tax options, like property taxes, sales taxes, and individual and corporate income taxes. The degree to which states lean on these options, however, and the extent to which they turn to alternatives, varies based on demography, geography, and even ideology.

Oregon derives over two-thirds of state tax revenue from income taxes, while North Dakota raises less than a tenth of its revenue that way. In New England, only 1.4 percent of local government tax revenue comes from sales and gross receipts taxes, compared to 34.0 percent in the Southwest. In "live free or die" New Hampshire, 23.7 percent of state tax revenue is generated by corporate taxes, whereas such taxes are responsible for a mere 2.1 percent of state revenue in Hawaii.

A state with an abundance of natural resources, like North Dakota, might turn predominantly to severance taxes, while one with a high volume of tourists, like Florida, can see value in relying heavily on sales taxes. Some states, particularly in New England, have longstanding traditions of both state and local property taxes, while others, especially in the Southeast, make extensive use of general sales taxes at both levels of government.

INTERNATIONAL

FONDS MONÉTAIRE INTERNATIONAL (FMI)

C. Correa-Caro, S. Ormaechea et T. Komatsuzaki, « Fiscal Reforms, Long-term Growth and Income Inequality », *Working Paper No. 17*/145, 29 juin 2017, 46 p.

Les pays ayant une fiscalité favorable à la croissance ont effectivement connu une croissance plus importante.

We estimate the effects on growth of nine fiscal reform episodes in seven high-income countries using the Synthetic Control Method. These episodes are selected using an indicator-based approach applied to the evaluation of growth-friendly fiscal reforms during 1975-2010. We find that in reform countries the annual growth rate of real GDP was on average about 1 percentage point above their synthetic units 10 years after each respective reform. Moreover, countries which were initially less developed seemed to experience a larger growth impact after their reforms. Results are broadly robust to controlling for structural reforms on business regulation, financial market, labor market, and legal and product markets, which may also affect growth. Our findings also suggest that inequality is not affected by the growth-friendly fiscal reforms analyzed in this paper.

INSTITUTE FOR FISCAL STUDIES (IFS)

M. Brewer et J. Shaw, « How Taxes and Welfare Benefits Affect Work Incentives: Lifecycle Perspective », 7 juillet 2017, 34 p.

La variation de l'effet des impôts et prestations est plus importante sur un cycle de vie qu'entre les individus.

Personal taxes and benefits affect the incentive to work over the lifecycle by altering income-age profiles, insuring against adverse shocks, and changing the returns to human capital. In this paper, show how a lifecycle perspective alters our impression of how the UK tax and benefit system affects women's work incentives. Given that actual longitudinal data conflates age effects, cohort effects and policy effects, and, in the UK, is not available covering the full lifecycle, we use simulated data produced by a rich, dynamic structural model of female labour supply and human capital that incorporates family formation and fertility. We find that individuals experience considerable variability in work incentives across life that outweighs the variability across individuals. Changes in the presence of children and a partner, as well as the level of any partner's earnings, are key to explaining these patterns: work incentives vary dramatically depending on family composition and the earnings of any partner, especially for the lower-skilled – with women's own earnings explaining less than a seventh of the variation in work incentives – and most women experience a number of different family types during the course of their lives.

ORGANISATION DE COOPÉRATION ET DE DÉVELOPPEMENT ÉCONOMIQUES (OCDE)

OCDE, « OECD Secretary-General Report to G20 Leaders », Juillet 2017, 88 p.

L'année 2017 est une année charnière vers une plus grande transparence fiscale.

Fixing the international tax system to close down loopholes, improve transparency and make sure that multinational enterprises pay tax where they carry out their activities has been a key priority of the G20 since its inception. Major progress has been achieved, making the fight against tax avoidance and tax evasion a success story of the G20, with the support of the OECD. With recent recognition of the backlash against globalisation, and a stronger-than-ever need to deliver an agenda of inclusive growth, the work of the G20/OECD work on tax is one of the most important contributions to these challenges, and one which is having a concrete impact to address the concerns being raised.

2017 is the year of implementation: implementation of the Common Reporting Standard with the first automatic exchanges of financial account information (AEOI) to take place in September

2017; and, implementation of the measures to address base erosion and profit shifting (BEPS), with the OECD/G20 Inclusive Framework on BEPS implementation now fully operational.

RESOLUTION FOUNDATION

C. D'Arcy, « The Minimum Required? Minimum Wages and the Self-employed », 4 juillet 2017, 14 p.

Les congés parentaux pour les travailleurs autonomes doivent être bonifiés.

The minimum wage revolutionised the lower end of the UK's labour market, protecting employees from exploitation. But the self-employed – now one in seven of the workforce – are not entitled to the minimum wage. With growing concerns over their earnings and conditions, particularly in the so-called gig economy, extending the minimum wage to some of this group has been discussed. While a minimum wage would not be appropriate for the majority of the self-employed, for those who take work from firms or platforms and – crucially – don't have control over the price they charge, moves to reduce exploitatively low pay for this group would be both meaningful and welcome.

Existing legislation on 'piece work' done by employees provides a useful template, in which firms offering work complete a test to ensure that a person working at an average pace could be expected to earn at least the minimum wage while carrying out the task. This measure alone will not assuage fears about poor quality self-employment; greater enforcement of employment law and closing the gap in the tax and benefit treatment of self-employed and employees as well is vital. But ensuring firms using, or helping provide, self-employed labour set fair rates would be a helpful step towards better self-employment.

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