



## Chaire en fiscalité et en finances publiques

# Bulletin de veille

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## QUÉBEC/CANADA

### CENTRE INTERUNIVERSITAIRE DE RECHERCHE EN ANALYSE DES ORGANISATIONS (CIRANO)

Collectif, « *Le Québec économique 7 : Éducation et capital humain* », Presses de l'Université Laval, Janvier 2018.

Cette nouvelle édition du Québec économique présente une analyse des enjeux économiques contemporains du système d'éducation québécois.

Près du quart des dépenses du gouvernement du Québec sont allouées au secteur de l'éducation. Pour une société, l'éducation agit tant comme un moteur de croissance économique que comme un puissant outil de lutte contre la pauvreté. L'investissement en éducation permet l'accumulation du capital humain, facteur déterminant du développement individuel.

Cette septième édition du Québec économique fait le point sur les enjeux contemporains du système d'éducation québécois. Pour bien positionner l'analyse, des portraits du réseau primaire et secondaire puis de l'enseignement supérieur sont d'abord présentés. Une série d'enjeux économiques sont ensuite étudiés de manière détaillée.

Sont notamment abordés par des chercheurs reconnus dans leur domaine : le financement de l'enseignement supérieur, la performance du réseau de l'éducation ainsi que les rendements privés et sociaux de l'éducation.

### DIRECTEUR PARLEMENTAIRE DU BUDGET

Directeur parlementaire du budget, « *Estimation des coûts du projet de loi C-364 : Loi modifiant la Loi électorale du Canada et une autre loi en conséquence (financement politique)* », 30 janvier 2018, 17 p.

Le principal effet du projet de loi C-364 est l'augmentation nette du financement des partis politiques enregistrés.

En octobre 2017, Michel Boudrias, député (Terrebonne – BQ), a présenté un projet de loi d'initiative parlementaire, le projet de loi C-364, qui modifierait la Loi électorale du Canada en réduisant les plafonds annuels des contributions politiques, tout en rétablissant le financement public des partis politiques enregistrés par le truchement d'allocations trimestrielles. La Loi de l'impôt sur le revenu serait modifiée en conséquence, puisque le montant du crédit d'impôt pour contribution politique pouvant être réclamé par un particulier changerait.

Le directeur parlementaire du budget (DPB) estime que, au total, les coûts du projet de loi pour le gouvernement fédéral s'établiraient à 45,2 millions de dollars en 2018, et augmenteraient pour atteindre 46,2 millions de dollars en 2021. Le rétablissement des allocations trimestrielles versées aux partis politiques enregistrés, qui sont puisées dans le Trésor public, représente la très grande majorité des coûts.

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## INSTITUT DU QUÉBEC

M. Homsy et S. Scarfone, « [L'emploi au Québec : Bilan 2017](#) », 29 janvier 2018, 49 p.

Le Québec cède sa place de champion de création de l'emploi au Canada à l'Ontario, mais conserve le 2<sup>e</sup> rang.

Champion de la création d'emplois en 2016, le Québec cède sa place à l'Ontario en 2017 (176 000), conservant le 2<sup>e</sup> rang (87 000), tout juste devant la C.-B. (83 000); Avec 177 500 emplois créés en deux ans et un taux de chômage qui atteint un plancher historique de 4,9 %, le Québec connaît une importante effervescence de son marché du travail; Pour une quatrième année consécutive, la majorité des emplois créés étaient à temps plein; Alors que la grande majorité des emplois ont été comblés dans le secteur privé l'an dernier, cette année, la création est répartie entre le privé (34 700), le public (30 200) et le travail autonome (21 900).

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## INSTITUT FRASER

J. Clemens, M. Palacios et N. Veldhuis, « [Federal Deficits and Recession: What Could Happen](#) », 1 février 2018, 34 p.

Si les conditions de la récession de 2008-2009 se répètent, le déficit pourrait atteindre 120,5 G\$ en 2020-2021.

There are serious financial risks associated with running deficits during times of positive economic growth. One of the principal risks is that the budget cannot be balanced regardless of economic conditions because a permanent imbalance between how much the government spends and the amount it raises from taxes and other revenues

develops. The Trudeau government took office in late 2015 and immediately increased budgeted federal program spending by \$8.1 billion over the period from 2015/16 to 2019/20. Less than six months later, in its first full budget (2016), the federal government markedly increased budgeted program spending by an additional \$65.9 billion over the same five-year period. The increases in program spending meant the government purposefully moved from expected small surpluses to large deficits. The original 2015 plan presented by the Harper government was for a cumulative budgeted surplus for the 2015/16–2019/20 period of \$13.1 billion.

This essay applies the experiences of three past recessions and an economic slowdown to the federal government's current finances in order to estimate the possible fiscal effects of the next recession. The resulting decline in revenues and increase in program spending from recessions means much larger deficits and thus an accumulation of debt. The risks to federal finances from even a mild recession, let alone a more severe recession, given the current level of deficits are substantial and should be taken into consideration in future budgets.

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## INSTITUT FRASER

B. Eisen et M. Palagros, « [Repeating Past Mistakes? Spending Restraint Critical for Ontario's Fiscal Health](#) », Janvier 2018, 11 p.

Il est inquiétant que le budget de dépenses de l'exercice 2017-2018 inclut un retour à une croissance des dépenses supérieure au taux de croissance économique.

In 2016/17, Ontario's net debt reached \$302 billion, or approximately \$21, 500 per Ontarian. The province's debt-to-GDP level stands at 38 percent, just below its all-time historic high.

Ontario's net debt has increased dramatically since 2003/04, with the province running budget deficits in 11 of the past 14 years. These annual deficits have ranged from \$991 million to \$19.3 billion and have averaged \$8.6 billion over the whole period.

However, the government's 2017/18 budget announced a substantial spending increase for the current fiscal year, suggesting that the short-lived era of comparative restraint may be ending. The Ontario government appears to be repeating the mistakes of the past and may once again be exposing the province to substantial risks including the re-emergence of large budget deficits should another fiscal shock occur.

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## THE SCHOOL OF PUBLIC POLICY

N. Rivers et R. Wigle, « [Reducing Greenhouse Gas Emissions in Transport: All In One Basket?](#) », SPP Research Paper Volume 11:5, Février 2018, 19 p.

La taxe sur le carbone est l'outil avec le plus faible coût social pour la réduction des émissions.

Analysis after analysis has shown consistently that if policy-makers aiming to meet climate goals are looking for the most-efficient, least-distortionary way to target emissions growth, there is simply nothing better than abandoning all emissions regulations except for one: A straight, revenue-neutral carbon tax. Nothing works through more channels, at a lower cost.

Alas, policy-makers are not always looking for the most-efficient, least distortionary way to target emissions growth. That's because many of those same analyses show that in order to reach emissions targets, the price on carbon would have to be so punitive as to be politically unbearable, raising the price of gasoline, for example, by about a dollar a litre. That leads politicians to mix in other policies that are less visible to the consumer but also less efficient, less effective and more expensive in abating carbon dioxide.

The recently negotiated Pan-Canadian Framework on Clean Growth and Climate Change intends to follow that model, relying on a blend of different policies to help reach Canada's Paris climate targets. But while the government seems therefore determined to rule out the possibility of a nothing-but-a-carbon-tax plan, it is possible, through the careful application of just the right sort of emission-reduction approaches, to reduce the costs of abatement in a key policy target — namely, road transportation — to a level that at least approaches the lower cost of a carbon tax.

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## ÉTATS-UNIS

### CENTER ON BUDGET AND POLICY PRIORITIES

C. Marr, E. Horton et R. Taylor, « [IRS Budget Needs to Be Restored and Supplemented to Implement and Enforce the New Tax Law](#) », 25 janvier 2018, 9 p.

L'implantation du nouveau régime d'imposition aux États-Unis suscitera beaucoup de questions, car il touchera pratiquement l'ensemble des contribuables et des entreprises.

The implementation and enforcement of the recently enacted federal tax legislation pose a once-in-a-generation, multi-dimensional challenge for the Internal Revenue Service (IRS). The new law will affect virtually every taxpayer and business in the country. It eliminates ingrained features of the income tax, such as the personal exemption and many deductions, introduces a new tax treatment of certain types of income, and adopts a completely new international corporate tax regime. It is certain to spark questions from the public and businesses, who will look to the IRS for answers. Of particular concern, given some of the law's features and the hasty way in which it was put together, it will also likely lead to an aggressive effort by some businesses and wealthy individuals to push against the law's outer boundaries — and possibly over them — to minimize their taxes.

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### CONGRESSIONAL BUDGET OFFICE (CBO)

D. Burk et J. Montes, « [Factors Affecting the Labor Force Participation of People Ages 25 to 54](#) », 7 février 2018, 26 p.

Certaines politiques fiscales, comme le crédit d'impôt sur le revenu gagné, tendent à accroître la participation au marché du travail, alors que d'autres sont associées à une participation plus faible au marché du travail.

This report examines how various demographic factors relate to labor force participation, how economic conditions are likely to affect that rate over the next decade, and what keeps people from participating in the labor force.

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## URBAN INSTITUTE

M. M. Favreault et B. C. Spillmann, « [Tax Credits for Caregivers' Out-of-Pocket Expenses and Respite Care Benefits: Design Considerations and Cost and Distributional Analyses](#) », 29 janvier 2018, 72 p.

Les données historiques tendent à démontrer que la plupart des aidants naturels ne seraient pas affectés par le fait que le crédit cesse de s'appliquer aux contribuables ayant des revenus plus élevés.

We project the costs and distributional effects of alternative specifications of refundable income tax credits for family caregivers' out-of-pocket expenses and respite care benefits using the Urban Institute's Dynamic Simulation of Income Model. We ground our projections in estimates from the National Study of Caregiving calibrated to other sources to address measurement challenges and data limitations. Because the future is uncertain and projections are sensitive to assumptions, we show intermediate, high-, and low-cost alternatives for each policy. The respite care benefit's effects are progressive given high disability prevalence among those with lower incomes. The tax credit's effects are more proportional.

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## TAX FOUNDATION

S. Drenkard, « [Should D.C. Have the Highest State Cigarette Tax in the Country?](#) », 1 février 2018, 8 p.

L'augmentation de la taxe sur les cigarettes affecte davantage les pauvres, encourage le marché noir et crée une instabilité budgétaire.

I'm pleased to have the opportunity to speak today with regard to B-22-460, a bill to increase the tax on cigarettes by \$2.00 per pack, to a total excise

tax rate of \$4.50 for each pack sold. While the Tax Foundation takes no position on legislation, I'd like to offer some of our findings from research we have published on this issue in the last few years. While a cigarette tax increase can seem like a productive step for public health, the decision carries with it some undesirable obstacles.

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## TAX FOUNDATION

J. Walczak, « [Tax Reform Moves to the States: State Revenue Implications and Reform Opportunities Following Federal Tax Reform](#) », 31 janvier 2018, 37 p.

Après la réforme fédérale, c'est au tour des États de réformer leur système d'imposition pour favoriser la croissance économique.

Most states stand to see increased revenue due to federal tax reform, with expansions of the tax base reflected in state tax systems while corresponding rate reductions fail to flow down. The extent to which this is true (and indeed in some cases, whether it is true) depends on the federal tax provisions to which a state conforms. This paper aims to survey some of the more significant federal provisions often incorporated by the states, shedding light on what each state can expect and what options are available to states as they respond to federal tax changes. In the wake of federal tax reform, states have a golden opportunity to move their own tax codes in a more simple, neutral, and pro-growth direction.



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## INTERNATIONAL

### ASSOCIATION POUR LA FONDATION INTERNATIONALE DE FINANCES PUBLIQUES (FONDAFIP)

Conseil des prélèvements obligatoires (CPO), « [Les prélèvements obligatoires sur le capital des ménages](#) », 25 janvier 2018, 150 p.

La France a intérêt à opter pour un régime fiscal unique applicable tant aux

## locations meublées qu'aux locations dites « nues ».

Le Conseil des prélèvements obligatoires (CPO) s'est attaché à vérifier si le système de prélèvements obligatoires sur le capital des ménages est cohérent au regard des objectifs qu'il poursuit.

Jusqu'au 31 décembre 2017, il existait six impôts principaux prélevés sur la détention de patrimoine (taxe foncière et impôt de solidarité sur la fortune), sur la perception des revenus qu'il génère (impôt sur le revenu et prélèvements sociaux) ainsi que sur sa transmission (droits de mutation). Leur rendement budgétaire s'est élevé à 80 Md€ en 2016, soit 3,6 % du PIB, un niveau élevé en Europe, en hausse de 0,6 point de PIB par rapport à 2006.

En même temps que son rapport, le CPO publie cinq rapports particuliers commandés à des experts pour appuyer sa réflexion et qui n'engagent que leurs auteurs.

## BANQUE MONDIALE

A. Fuchs et F. Meneses, « [Tobacco Price Elasticity and Tax Progressivity in Moldova](#) », Policy Research Working Paper, N° 8327, 1 février 2018, 25 p.

Les taxes sont un moyen efficace de réduire la consommation de tabac. Contrairement à la croyance populaire, l'augmentation de la taxe sur le tabac n'a pas un impact négatif plus prononcé chez les pauvres.

Tobacco taxation is one of the best ways to control tobacco.[6] This is so because the taxation effectively increases government revenue and decreases consumption, especially among that younger and lower-income groups of the population as these exhibit higher income elasticities. Because there are no estimates of tobacco price elasticities for Moldova in the literature, the study, as a first step, estimated tobacco price elasticity using four cohorts of household surveys. Next, the distributional impact of a rise in tobacco prices caused by a tax increase was estimated. The effect of higher prices on income because of the higher cost of tobacco consumption was evaluated, and, then, the effect of a reduction in medical

expenditures because of the reduction in tobacco use was analyzed. The study finds that an increase in tobacco taxes has a progressive impact, benefiting lower-income groups in the population. The paper continues as follows: section 2 analyzes the literature; section 3 describes the estimation model; section 4 shows the results; section 5 presents a discussion; and section 6 concludes.

## BANQUE MONDIALE

Banque mondiale, « [Senegal: Impact on Tobacco Use and Tax Revenues](#) », Janvier 2018, 72 p.

La taxe sur le tabac est le meilleur moyen de réduire la consommation et peut aussi amener des revenus fiscaux additionnels à l'État. Une taxe d'accise uniforme empêche les producteurs d'absorber une hausse de la taxe et diminue l'intérêt du consommateur d'aller vers des cigarettes de plus faible qualité en réponse à la hausse.

Of all public interventions against tobacco use, taxation is perhaps the most cost-effective. There is much global evidence that taxation and the resultant price increases lead to reduced tobacco consumption (Chaloupka et al. 2011). A tax increase that raises tobacco retail prices by 10% decreases consumption by up to 5% in low- and middle-income countries (Shafey et al., 2009:82). Tobacco taxes are a win-win-win from the standpoint of public policy: they improve health outcomes, promote fiscal stability, and are highly equitable. Nonetheless, tobacco taxes are underutilized. Only 33 countries, with 10% of the world's population, have introduced taxes on tobacco products amounting to more than 75% of the retail price (WHO 2017). The retrospective analysis shows that the 2014 cigarette tax increases in Senegal had a limited impact on retail prices if any, as tobacco manufacturers apparently absorbed the price increase in order to avoid any fall-off in consumption following the introduction of the tax. Three lessons emerge from the experience over 2012-14. First, the 45% ad valorem tax ceiling seems to have been too low to generate permanent changes in manufacturer price and consumption levels; the rate of taxation should therefore increase. Second, the ad valorem tobacco excise on

ex-factory values should be combined with a specific tax (i.e. per unit) on tobacco products. Finally, there is an important role for better surveillance of manufacturer inventories to monitor patterns of supply and demand which may impact retail prices.

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## INSTITUTE FOR FISCAL STUDIES (IFS)

M. Costa Dias, R. Joyce et F. Parodi, « [Wage Progression and the Gender Wage Gap: The Causal Impact of Hours of Work](#) », IFS Briefing note BN 223, 5 février 2018, 21 p.

La différence au niveau des heures travaillées immédiatement après la naissance d'un enfant est un facteur important des inégalités de traitement entre les femmes et les hommes.

The gender wage gap has come down, but it remains at around 20%. There are lots of reasons for the scale and persistence of this gap, but new work shows that one important factor is that mothers spend less time in paid work, and more time working part-time, than do fathers. As a result, they miss out on earnings growth associated with more experience.

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## OXFORD UNIVERSITY CENTRE FOR BUSINESS TAXATION

R. de la Feria, « [Tax Fraud and the Rule of Law](#) », Janvier 2018, 38 p.

La lutte à la fraude fiscale concentre les efforts sur la mise en place de mesures permettant de compenser les pertes qui en découlent sans chercher à punir le crime. Cette approche priorise donc le principe d'efficacité du régime fiscal, au détriment des principes de neutralité et d'équité.

This article presents a new conceptual framework for research into tax fraud. Informed by research approaches from across tax law, public economics,

criminology, criminal justice, and regulatory theory, its proposed analytical framework assesses the effectiveness, and the legitimacy, of current approaches to combating tax fraud. The last decade has witnessed significant intensification of anti-tax fraud policy within Europe, with an upsurge in both legislative and administrative measures that purportedly target tax fraud. Using VAT as a case study, it is argued that these measures display a fundamental misunderstanding of the phenomenon of tax fraud, and in particular of the various costs it carries, by concentrating upon combating the revenue costs of fraud, rather than the fraud itself. Whilst measures deployed to combat revenue costs, and those deployed to combat the tax fraud, will often coincide, this will not always be the case. In those cases where they do not coincide prevalence is consistently given to enforcement measures addressing revenue costs, rather than combatting the fraud itself, even where the effect is to aggravate other costs of tax fraud, such as distortions to competition, or tax inequity, or to create an incentive to future non-compliance. A concentration solely up on the revenue costs of fraud can no longer be regarded as either deterrent or punishment, but merely as a compensatory mechanism for the lost revenue. These developments in anti-tax fraud policy demonstrate a significant shift –one that appears to be motivated by public finance concerns—from tax fraud suppression to tax fraud management. The article concludes that this shift not only undermines tax equity and overall tax compliance, but may also lead to selective tax enforcement, thus representing a significant risk to the rule of law.

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## OXFORD UNIVERSITY CENTRE FOR BUSINESS TAXATION

R. de Mooij et L. Liu, « [At a Cost: The Real Effects of Transfer Pricing Regulations](#) », 9 janvier 2018, 46 p.

La mise en place de réglementations unilatérales relatives aux prix de transfert risque de créer une distorsion de la répartition du capital au niveau international.

Unilateral adoption of transfer pricing regulations may have a negative impact on real investment by multinational corporations (MNCs). This paper

uses a quasi-experimental research design, exploiting unique panel data on domestic and multinational companies in 27 countries during 2006-2014, to find that MNC affiliates reduce their investment by over 11 percent following the introduction of transfer pricing regulations. There is no significant reduction in total investment by the MNC group, suggesting that these investments are most likely shifted to affiliates in other countries. The impact of transfer pricing regulations corresponds to an increase in the “TPR-adjusted” corporate tax rate by almost one quarter.

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## RESOLUTION FOUNDATION

G. Bangham, D. Finch et T. Phillips, « [A Welfare Generation: Lifetime Welfare Transfers Between Generations](#) », 5 février 2018, 34 p.

Il est difficile de prévoir si les générations futures du Royaume-Uni pourront bénéficier des niveaux actuels de générosité de l'État-providence, compte tenu de la longévité croissante de la population et de la génération des baby-boomers qui prennent leur retraite.

This research paper looks at what people put in and take out from the welfare state over their lifetime, updating John Hills' seminal research on life-cycle welfare transfers between generations. It estimates the extent to which past and future cohorts contribute to the welfare state via taxation and withdraw from its core pillars - education, health and social security - over the course of their lifetimes. It finds that successive generations have received more from Britain's welfare system than they have paid in, with baby boomers gaining the most so far and the pre-war 'silent generation' gaining the least.

The UK welfare system runs on a 'pay as you go' basis, with workers contributing to fund support for children, pensioners and those in need. If longevity, cohort size and levels of tax and spend remained the same across time, then, with an annual balanced budget, successive cohorts would put in precisely what they take out. Of course in reality that is not the case, and variation in each of those factors shapes the extent to which different cohorts as a whole are net withdrawers from the welfare state over their lifetimes.

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