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QUÉBEC/CANADA

CENTRE CANADIEN DE POLITIQUES ALTERNATIVES (CCPA)

H. Mertins-Kirkwood, « [No Bad Option: Comparing the Economic Impacts of Ontario Carbon Pricing Scenarios](#) », 9 avril 2018, 24 p.

Si l'Ontario souhaite maximiser l'impact de sa taxe sur le carbone, il a intérêt à investir les recettes fiscales tirées de cette taxe dans des politiques climatiques complémentaires plutôt que de viser strictement des réductions d'impôts.

This report was produced in partnership with the Clean Economy Alliance (CEA) to model the impact of two potential carbon pricing scenarios in Ontario: a revenue-neutral carbon tax meeting the requirements imposed by the federal government, or Ontario's current a cap-and-trade system with revenues recycled into climate-related programs.

The report finds that both carbon pricing options reduce carbon emissions with no measurable impact to Ontario's economy. The cap-and-trade approach leads to greater reductions in greenhouse

gas emissions overall, largely because it is accompanied by investments in environmental programs. However, for any form of carbon pricing to work, emissions must be priced high enough to drive systemic changes and the price must be supported by strong complementary climate policies.

DIRECTEUR PARLEMENTAIRE DU BUDGET

Directeur parlementaire du budget, « [Établissement du coût d'un revenu de base garanti national à l'aide du modèle de revenu de base de l'Ontario](#) », 17 avril 2018, 22 p.

Le DPB estime qu'environ 7,5 millions de personnes pourraient bénéficier du revenu minimum garanti tel que décrit dans le projet pilote.

Ce rapport répond à une demande de M. Pierre Poilievre (Carleton – PCC) pour une estimation de coût de l'établissement d'un programme de revenu garanti à l'échelle nationale. Le DPB y applique à l'échelle du pays les paramètres stratégiques du Projet pilote de l'Ontario portant sur le revenu de base afin d'estimer le coût d'un revenu de base garanti (RBG), ensuite il compare le coût estimé à l'aide fédérale accordée aux personnes et aux groupes à faible revenu. Le coût brut annuel de l'application du Projet pilote portant sur le revenu

de base à l'échelle du pays s'élèverait à près de 76,0 milliards de dollars en 2018-2019 et il atteindrait près de 79,5 milliards de dollars en 2022-2023.

INSTITUT DE RECHERCHE EN POLITIQUES PUBLIQUES (IRPP)

G. Arsenault, O. Jacques et A. Maioni, « [Les services de garde subventionnés : l'exception du Québec dans le contexte fédéral](#) », 17 avril 2018, 28 p.

Les débats sur les résultats mitigés de la politique québécoise de services de garde ont freiné la diffusion de cette politique dans les autres provinces.

En comparaison des autres pays occidentaux, le Canada a consacré peu de ressources aux services de garde à la petite enfance. Le Québec par contre, à partir de la fin des années 1990, a considérablement investi dans un programme de services de garde publics et accessibles qui, au début, limitait les frais pour les parents à 5 dollars par enfant par jour. Vingt ans plus tard, le Québec se distingue toujours nettement des autres provinces dans ce domaine. Jusqu'à maintenant, les chercheurs se sont surtout attachés à comprendre pourquoi le gouvernement fédéral avait échoué à mettre en œuvre un programme ambitieux de services de garde. Très peu ont tenté d'expliquer pourquoi les gouvernements provinciaux, à l'exception de celui du Québec, n'avaient pas agi dans ce domaine, même si certaines études ont permis de comparer le Québec avec l'Ontario ou la Colombie-Britannique. Cette étude, puisque les auteurs s'y intéressent à l'ensemble des provinces, constitue la première tentative d'expliquer « l'exceptionnalisme québécois » en matière de services de garde.

INSTITUT DE RECHERCHE ET D'INFORMATIONS SOCIOÉCONOMIQUES (IRIS)

P. Hurteau, « [Le revenu viable : indicateur de sortie de pauvreté en 2018](#) », 12 avril 2018, 12 p.

La lutte contre la pauvreté du Québec est inefficace si on ne définit pas un indicateur de revenu viable.

La publication à l'automne 2017 du rapport du Comité d'experts sur le revenu minimum garanti et de la troisième édition du plan d'action requis par la Loi visant à lutter contre la pauvreté et l'exclusion sociale a mis en évidence l'impact de l'absence d'un indicateur probant pour la sortie de la pauvreté au Québec. Malgré les avertissements d'un avis du Centre d'étude sur la pauvreté et l'exclusion (CÉPE) en 2009, ces deux publications ont entretenu la confusion entre la couverture des besoins de base, pour laquelle la mesure du panier de consommation (MPC) constitue un indicateur approprié, et la sortie de la pauvreté, pour laquelle il n'existe pour le moment pas d'indicateur répondant à la définition de la pauvreté donnée dans la loi. Cette confusion a des conséquences importantes sur le plan des politiques publiques, dans la mesure où « tendre vers un Québec sans pauvreté » supposerait nécessairement, dans une première étape, d'en finir avec la pauvreté au travail et d'assurer que les besoins de base tels que définis par la MPC soient couverts par les protections sociales de base, comme l'aide sociale. En effet, en utilisant erronément la MPC comme seuil de sortie de la pauvreté, ces publications empêchent une telle progression en maintenant, grosso modo, le salaire minimum des employés à temps plein au niveau de la MPC et l'aide sociale à la moitié de ce seuil.

KPMG CANADA

J. Micallef et J. Bain, « [Imposition des monnaies virtuelles](#) », 16 avril 2018, 3 p.

Étant donné que la monnaie virtuelle ne fait l'objet d'aucune réglementation pour plusieurs pays et que ces derniers ne la considèrent pas comme une monnaie officielle, son statut fiscal peut être encore sujet à modification.

La monnaie virtuelle n'existe pas sous forme physique et elle ne confère pas à son détenteur de droits inhérents à la propriété ou à une autre monnaie. Traditionnellement, il revient à la banque centrale d'un État souverain de créer de la mon-

naie. Toutefois, aucune autorité centralisée, gouvernementale ou autre ne contrôle le système numérique.

THE SCHOOL OF PUBLIC POLICY (UNIVERSITY OF CALGARY)

J. Lester et J. Warda, « [An International Comparison of Tax Assistance for R&D: 2017 Update And Extension To Patent Boxes](#) », 1^{er} avril 2018, 36 p.

Il faut davantage d'informations sur la manière dont les entreprises multinationales transfèrent les revenus de propriété intellectuelle hors du Canada avant de mettre en place des incitatifs fiscaux pour la R&D basés sur le revenu.

Business investment in research and development (R&D) is widely recognized as providing benefits to the broader economy that exceed the benefits to the firms that perform the R&D. As a result of this externality or spillover, most governments provide support for R&D in order to encourage more of it. In 2017, 29 of the 35 members of the Organisation for Economic Co-operation and Development (OECD) provided tax incentives for spending on R&D. That's up slightly since 2014, when we last prepared an international comparison of tax assistance for R&D. On the other hand, average support levels edged down from 2014 to 2017.



ÉTATS-UNIS

BROOKINGS INSTITUTION

N. Malkus, R.V. Reeves et N. Joo, « [The Costs, Opportunities, and Limitations of the Expansion of 529 Education Savings Accounts](#) », Evidence Speaks Reports, vol. 2 #47, 12 avril 2018, 10 p.

Les modifications apportées par le Tax Cuts and Jobs Act permettant d'utiliser les fonds dans les comptes 529 (épargne-études) afin de payer les frais de scolarité d'écoles privées ne seront pas

efficaces afin d'inciter les gens moins fortunés à fréquenter les écoles privées et avoir accès à une meilleure éducation.

The Tax Cuts and Jobs Act substantively changed 529 college savings plans. In an effort to promote school choice, the Act expanded the list of eligible 529 expenses to include K-12 private school tuition. This federal change in the definition of qualified expenses will impact many states, particularly those that offer 529 tax deductions and credits. In this paper, we examine the potential impact of the 529 expansion on the distribution of benefits across families, on the promotion of private school choice, and on possible fiscal implications for individual states. Our overall assessment of the likely impact in these three areas is that the 529 expansion to private K-12 schools will primarily benefit affluent families, produce limited incentives for promoting private school choice, and come at a nontrivial cost to states. We discuss some ways that states might respond to promote progressive tax policy and expand private school choice. A simple roll-back of state tax breaks, and/or direct investment in school choice end up as the most straightforward ways to achieve these goals.

BROOKING INSTITUTION

W.J. Mckibbin, A.C. Morris et al., « [The Role of Border Carbon Adjustments in a U.S. Carbon Tax](#) », 20 mars 2018, 41 p.

Une taxe sur le carbone, si elle est bien conçue, peut réduire grandement les émissions de gaz à effet de serre, sans pour autant affecter négativement l'économie.

This paper examines carbon tax design options in the United States using an intertemporal computable general equilibrium model of the world economy called G-Cubed. In this paper, we discuss four policy scenarios that explore two overarching issues: (1) the effects of a carbon tax under alternative assumptions about the use of the resulting revenue, and (2) the effects of a system of import charges on carbon-intensive goods ("border carbon adjustments" or BCAs).

Consistent with earlier studies, we find that the carbon tax raises considerable revenue and reduces CO2 emissions significantly relative to

baseline, no matter how the revenue is used. Gross annual revenue from the carbon tax with lump sum rebating and no BCA begins at \$110 billion in 2020 and rises gradually to \$170 billion in 2040. By 2040, annual CO2 emissions fall from 5.5 billion metric tons (BMT) under the baseline to 2.4 BMT, a decline of 3.1 BMT, or 57%. Cumulative emissions over 2020 to 2040 fall by 48 BMT. Also consistent with earlier studies, we find that the carbon tax has very small overall impacts on gross domestic product (GDP), wages, employment, and consumption. Different uses of the revenue from the carbon tax result in slightly different levels and compositions of GDP across consumption, investment and net exports. Overall, using carbon tax revenue to reduce the capital income tax rate results in better macroeconomic outcomes than using the revenue for lump sum transfers.

Counter to their purported purpose of protecting U.S. trade strength, for a given revenue policy, BCAs tend to produce lower net exports than the carbon taxes alone. This is generally because the BCAs raise the value of the dollar relative to other currencies, thus lowering exports more than they lower imports. This is consistent with standard results in the international trade literature on the effects of import tariffs and export subsidies on real exchange rates, a result that is often overlooked in the discussion of domestic carbon policy.

In a finding new to the literature, our results show that BCAs can have strikingly different effects depending on the use of the revenue. Under a lump sum rebate, BCAs exacerbate the impact of the carbon tax by lowering domestic output further than it would fall under the carbon tax alone. Under a capital tax swap, however, BCAs have a moderating effect: they reduce the impact of the tax on most industries.

CATO INSTITUTE

C. Edwards, « [Reforming Federal Farm Policies](#) », Tax & Budget Bulletin #82, 12 avril 2018, 10 p.

Les subventions agricoles sont non seulement coûteuses pour les contribuables américains, mais elles nuisent aussi à l'économie et à l'environnement.

The federal government spends more than \$20 billion a year on subsidies for farm businesses. About 39 percent of the nation's 2.1 million farms receive direct subsidies, with the lion's share of the handouts going to the largest producers of corn, soybeans, wheat, cotton, and rice.

The current farm law - enacted in 2014 - added new crop programs that have turned out to be more costly than promised. The law expires this year, and subsidy proponents are eager for Congress to pass another expensive bill. But farm subsidies impose a burden on federal taxpayers, and they harm the economy. President Donald Trump proposed cuts to farm programs in the 2019 federal budget, but the longer-term goal should be to fully repeal all farm subsidies.

This report provides background for the upcoming farm bill debate. It suggests that agriculture is no riskier than other industries and that it does not need an array of federal subsidies. The government protects farmers against fluctuations in prices, revenues, and yields. It subsidizes their conservation efforts, insurance coverage, marketing, export sales, research, and other activities. Federal coddling of the agriculture industry is deep and comprehensive.

Farm subsidies are costly to taxpayers, but they also harm the economy and the environment. Subsidies distort the decisions made by farm businesses. They encourage overproduction, which pushes down prices and creates political demands for more subsidies. Subsidies discourage farmers from innovating, cutting costs, diversifying their land use, and taking other actions needed to prosper in the competitive economy.

CONGRESSIONAL BUDGET OFFICE (CBO)

CBO, « [The Budget and Economic Outlook: 2018 to 2028](#) », 9 avril 2018, 166 p.

Suivant les estimations du CBO, le déficit budgétaire du gouvernement fédéral américain s'élèvera à 804 milliards de dollars pour 2018, principalement en raison des réductions d'impôt prévues par le nouveau code fiscal.

In CBO's projections, the economy grows relatively quickly this year and next and then more slowly in the following several years. The federal budget deficit rises substantially, boosting federal debt to nearly 100 percent of GDP by 2028.

HERITAGE FOUNDATION

A. Michel et E. Slattery, « [Do Borders Matter? The Supreme Court Reviews Internet Sales Taxes](#) », 12 avril 2018, 19 p.

La Cour Suprême devrait maintenir le critère de la présence physique pour le commerce électronique et laisser le Congrès légiférer si bon lui semble.

This month, the Supreme Court will hear a case dealing with whether states can require out-of-state retailers to collect sales taxes when their residents make a purchase online. The Court previously held in *Quill Corp. v. North Dakota* that retailers must have a physical presence in the state in order to be required to collect state sales tax. This case, involving a mail-order retailer, was decided years before online shopping existed. In 2016, South Dakota passed a law mandating that out-of-state retailers collect and remit sales tax, directly challenging the holding in *Quill*. The case at hand, *South Dakota v. Wayfair*, quickly made its way to the Supreme Court, which will decide whether *Quill* remains good law—and whether states may force businesses outside their borders to collect their taxes in the age of Internet shopping.

TAX FOUNDATION

E. York, « [Recommendations to Congress on the 2018 Tax Extenders](#) », 17 avril 2018, 7 p.

Le congrès devrait abandonner les extensions de mesures fiscales temporaires et se concentrer sur les réformes à caractère permanent.

Nearly every year for more than a decade, a collection of tax provisions for businesses and individuals have routinely expired and then been temporarily reinstated, earning the nickname of “tax extenders.” Most recently, the Bipartisan Budget

Act of 2018 retroactively extended 32 of these provisions for tax year 2017. All but two of those provisions are currently expired for 2018, with reauthorization of the temporary provisions costing \$15 billion over the next decade. The recently enacted Tax Cuts and Jobs Act (TCJA) provides Congress the opportunity to determine whether any of these extenders have a place in the new tax code. Currently, members of the House Ways and Means Tax Policy subcommittee are reviewing 26 of the recently expired tax provisions. Several of the extenders are no longer necessary, because the TCJA provides similar, or better, cost recovery treatment as was afforded by the temporary provisions. Many extenders provide narrow, distortive benefits and should be allowed to expire, while others are better suited for the appropriation process rather than the tax system.

TAX FOUNDATION

J. Walczak, « [Will Illinois Double Down on High Taxes?](#) », 9 avril 2018, 9 p.

L'Illinois doit modifier sa constitution s'il souhaite demeurer compétitif sur le plan fiscal.

Repealing the uniformity clause, which prohibits a graduated-rate income tax and provides other taxpayer protections, could have a dramatic impact on Illinois tax policy. It is an alteration that would exacerbate tax uncertainty, remove a barrier to tax increases in a state already held back by high taxes, and make Illinois less competitive with its peers during a uniquely competitive moment, when many states are positioning themselves to attract some of the new investment enabled by federal tax reform.

TAX POLICY CENTER (TPC)

M. J. Mazur, « [Reflections on the Tax Cuts and Jobs Act](#) », 11 avril 2018, 9 p.

La Tax Cuts and Jobs Act a pour effet de simplifier la production des déclarations de revenus, mais a aussi comme conséquence d'augmenter les inégalités de revenus puisque le système fiscal sera moins progressif.

Mark Mazur, Director of the Urban-Brookings Tax Policy Center, testified before the Joint Economic Committee during a hearing entitled “Unleashing America’s Economic Potential.” In his testimony, Mazur presented a review of the principles of desirable tax policy, clear and less clear findings about the effects of the Tax Cut and Jobs Act, as well as the law’s impact on the nation’s fiscal position. He concludes with some thoughts on the path forward.



INTERNATIONAL

FONDS MONÉTAIRE INTERNATIONAL (FMI)

P. Wingender, « [Intergovernmental Fiscal Reform in China](#) », 13 avril 2018, 32 p.

Le gouvernement chinois a récemment annoncé une réforme fiscale intergouvernementale ambitieuse qui augmentera le rôle du gouvernement central.

China is the most decentralized country in the world in terms of expenditures shares, with sub-national governments responsible for 85 percent of government spending. Limited revenue autonomy and insufficient intergovernmental transfers have led to large unfunded mandates and a build-up of debt outside the budget. The government has recently announced an ambitious intergovernmental fiscal reform, which will increase the role of the central government. Comprehensive reform is needed to improve public service delivery, increase overall social spending levels and reduce regional disparities. Revenue reforms are also necessary to improve efficiency and reduce vulnerabilities from excessive subnational borrowing. These reforms are challenging, but are crucial so that the government can support China’s continued development and prosperity.

INSTITUTION ON TAXATION AND ECONOMIC POLICY (ITEP)

ITEP, « [Extensions of the New Tax Law’s Temporary Provisions Would Mainly Benefit the Wealthy](#) », 10 avril 2018, 9 p.

La prolongation jusqu’en 2026 de certains avantages fiscaux temporaires issus de la TCJA ne permet pas de réduire suffisamment la hausse des impôts causée par les dispositions permanentes déjà en vigueur pour les personnes ayant un faible revenu.

In December of 2017, President Donald Trump and Congress enacted a tax law that provided most of its benefits to high-income households and foreign investors while increasing taxes on some Americans. The new law, the Tax Cuts and Jobs Act (TCJA) is more harmful to low- and middle-income households in years after 2025 because the tax cuts benefiting them are scheduled to expire at the end of that year, while some provisions raising their taxes are permanent. Proponents of the law now propose to enact legislation that would make permanent the temporary tax provisions and often describe this as a proposal to make permanent the “middle-class tax cuts.” These proponents implicitly acknowledge that many of the provisions of the tax law that are permanent — like the cut in the corporate tax rate — mainly help high-income households. They argue that the temporary provisions are ones that benefit the middle-class and that even those who opposed TCJA should support making permanent or extending these provisions.

ORGANISATION DE COOPÉRATION ET DE DÉVELOPPEMENT ÉCONOMIQUES (OCDE)

OCDE, « [The Role and Design of Net Wealth Taxes in the OECD](#) », 12 avril 2018, 114 p.

Il est préférable de maintenir une large assiette fiscale et un taux d’impôt sur la richesse bas et progressif afin de ne pas pénaliser les propriétaires de biens produisant peu ou pas de revenus.

This report examines and assesses the current and historical use of net wealth taxes, defined as recurrent taxes on individual net assets, in OECD countries. It provides background on the use of wealth taxes over time in OECD countries as well as on trends in income and wealth inequality. It

then assesses the case for and against the use of a net wealth tax to raise revenues and reduce inequality, based on efficiency, equity and tax administration considerations. The effects of personal capital income taxes and taxes on wealth transfers are also discussed to understand how these taxes interact with net wealth taxes. Finally, the report looks at practical tax design issues and shows that the way a net wealth tax is designed can have a significant impact on the effectiveness and fairness of the tax. The report concludes with a number of practical tax policy recommendations regarding net wealth taxes.

ORGANISATION DE COOPÉRATION ET DE DÉVELOPPEMENT ÉCONOMIQUES (OCDE)

OCDE, « [Taxation of Household Savings](#) », 12 avril 2018, 242 p.

L'épargne des ménages ne devrait pas être davantage taxée, mais l'efficacité des régimes fiscaux relatifs à l'épargne devrait être améliorée.

This report provides a detailed review of the taxation of household savings in 40 OECD and partner countries. It examines the different approaches that countries take to taxing household savings, and calculates marginal effective tax rates on a wide range of savings vehicles (including bank accounts, bonds, shares, private pensions and housing) to assess the impact of these approaches on savings behaviour. It examines asset holdings across income and wealth distributions to help assess the distributional impact of savings taxation, and discusses recent changes in the exchange of information for tax purposes between tax administrations. It also draws out a range of implications from this analysis for savings tax policy as part of an inclusive growth tax agenda.

RESOLUTION FOUNDATION

L. Judge et D. Tomlinson, « [Home Improvements: Action to Address the Housing Challenges Faced by Young People](#) », 17 avril 2018, 54 p.

L'abolition des réductions d'impôt sur les propriétés secondaires ou vides du contribuable pourrait améliorer les options de logement des milléniaux.

There are now 1.8 million families with children living in the private rented sector (PRS) up from 600,000 in the early 2000s. But the PRS in England and Wales is very lightly regulated compared to many other countries. This should change with longer term tenancies and more certainty around rent rises becoming the norm.

Housing benefit covers just 55 per cent of the housing costs of non-working, private renting millennial families at age 25; the equivalent figure for generation X families at the same age was 77 per cent. Value should be put back into housing benefit by reversing cuts targeted at young people in the short term, and relinking housing benefit levels and private rents in the medium term.

Despite large rises in house prices and falling ownership rates, young people's home ownership aspirations are still high. While successive governments have sought to support buyers with a plethora of Help to Buy schemes, there is now clear evidence of an inflationary effect. We think it is time to phase out the scheme through tighter targeting up to 2021.

The government should use the tax system to better purpose if it wants to rebalance demand. It should make it harder to become 'over-housed', tax second and empty properties more effectively but the government, but make it easier for those who own such properties to exit the market through short term reform to capital gains tax.

The nascent Build to Rent sector should be fostered through an exemption from the 3 percentage point stamp duty surcharge charged on the purchase of additional homes. Public funds for house building have been sorely lacking in recent years. We propose allowing councils to levy a 'building precept' much as it can currently raise a 'social care levy' once property taxation has been reformed.

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