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FAST FACTS

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Tax cuts not the answer for Manitoba women

According to last year's budget speech, tax cuts over the past decade have accumulated to the point that Manitobans are now paying \$1 billion a year less in taxes. Unfortunately a lot more of that billion dollars has landed in men's pockets than women's.

Women in Manitoba still earn on average 65 per cent of what men earn. In 2006 women's yearly earnings were \$27,700 compared with \$42,900 for men. Aboriginal women, immigrant women and women living with disabilities earned even less.

At least 40 per cent of Canadian women don't pay any taxes at all either because their work is unpaid or their income from paid work is too low. Many other women have incomes that fall into the lowest tax bracket. That means most women have benefited little - if at all - from the push for tax cuts, in spite of being largely responsible for society's most important responsibility: raising our children.

Not free

Tax cuts aren't free, and women often bear a disproportionate share of their cost. Tax cuts cost in the form of lost revenue. The money won't

be there the year in which it is cut, or in the years after. That's \$1 billion/year that's not available for programs like affordable housing, child care, public transportation and health care. The United Nations Platform for Action Committee Manitoba (UNPAC) consulted nearly 500 Manitoba women between 2005 and 2007 on their budget priorities. In each of the 17 communities we visited we heard that affordable child care and affordable rental housing were women's top priorities.

Raising the tax bracket helps, a little

This government has introduced some measures to help low-income families. The Manitoba Child Benefit puts cash into the pockets of some of the poorest Manitobans. Families with an income of less than \$15,000 can receive up to \$420/year per child. The elimination of the claw-back of the Child Tax Benefit to families on income assistance is also laudable. But these amounts are tiny compared with the savings for those tax payers who are benefiting from the billion-dollar tax cuts. According to the provincial government's own calculator, a single person earning \$100,000/year has saved over \$15,000 in taxes over the past nine years. To be fair, Manitoba's tax system is more progressive than



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those of other provinces but the gap between rich and poor is still growing.

The Manitoba Government has also raised the minimum threshold at which people pay taxes. But raising the basic personal amount by \$100, while costing the government considerable revenue, only saves tax payers a little over \$10 (\$20 if you're a single parent). No low-income parent will complain about an additional \$10 or \$20; it can buy you a couple pairs of second-hand pants or bus fare for you and your kids to and from the health clinic. But it can't buy you a child-care space, or a decent place to live, the two things which Manitoba women have said they need more than anything.

Not just because we have to

People shouldn't pay taxes just because they're forced to. Paying taxes is a way for all of us to participate in society, to contribute to a common good. It's a privilege to pay taxes; it means one lives in an advanced, well organized society. Rather than reducing taxes, we should be ensuring that the tax system provides a basic, acceptable quality life for all Manitobans. We need a tax system that will promote equality, not widen the gap between rich and poor.

Refundable - or not

Most of the tax credits introduced by the Manitoba Government - including the Children's Fitness Tax Credit - are non-refundable, therefore the lowest-income Manitobans don't benefit at all, because they don't pay taxes. A significant and welcome exception is the new Primary Caregivers Tax Credit which came into effect January 1, 2009 and rewards caregivers of seniors, people with disabilities and people with long-term illnesses with a maximum of \$1020 per year, after a three-month qualifying period. The Caregiver Tax Credit

recognizes that women contribute millions of hours of unpaid work to the economy. Without this work the entire economy would come to a halt.

Social infrastructure

Budget 2009 has an opportunity to address gaps in Manitoba's social infrastructure. But let's not make the same mistake as the Federal budget which did not mention women once and which focused too much spending on physical infrastructure and none, for example, on childcare. Childcare could create some infrastructure spending, create jobs for skilled workers AND it directly benefits women in the long-term. Let's see a budget that gives every woman and her kids a safe and healthy place to live, child care that is truly affordable and social assistance rates that match the actual cost of living.

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