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CANADIAN CENTRE for POLICY ALTERNATIVES
NOVA SCOTIA OFFICE

Nova Scotia Budget Watch 2015

Tax Changes: What Principles, in Whose Interest?

THIS YEAR WHEN the budget is tabled, Nova Scotians will look to see if the government implements the recommendations in the taxation and regulation review report.[1] The Broten review lacks current, accurate evidence for the assumptions made about the fiscal and economic problems facing the province. Without that evidence, we cannot arrive at legitimate solutions to the problems facing our province. The data provided in Broten's review is insufficient: it does not enable Nova Scotians to judge the full impact of the specific tax recommendations on our taxes, public services, or on the economic or fiscal health of the province (see the Fiscal Choices Primer). This taxation primer is meant to help Nova Scotians consider how tax changes affect the big picture — economic growth *and* jobs *and* social and economic justice and environmental sustainability — in our province. It highlights questions that should be asked of the government and provides evidence to assist Nova Scotians in understanding how tax changes might affect them and their communities.

Tax changes should be fair, equitable, and progressive. Does the government provide an analysis of the impact of any tax changes on all income groups in Nova Scotia? Does it consider gender impact (see Gender-Based Analysis Primer)? Does the budget shrink the gap between rich and poor or increase it? Do tax changes take into account ability to pay? How many of the changes are regressive, hitting the working class and especially lower-income people harder than higher-income earners?

Through the Lens of Social and Economic Justice: Address Income Inequality

The Broten report on taxation does not reference[2] a growing body of research uncovering a disquieting trend in Canada (and beyond): income inequality — the gap between the rich and the poor — is increasing rapidly, and at great cost to our communities.[3] Average real wages (adjusted for inflation) have not changed in Canada for about 30 years, and have decreased in Nova Scotia since the early 1990s.[4] At the same time, the corporate share of income has skyrocketed; virtually all of the increased wealth generated by productivity growth took the form of higher profits. This rise translates into higher incomes at the top of the distribution, where stock ownership is concentrated.[5] The income of the average top 1% tax filer is *10.5 times* that of the bottom 90% in Nova Scotia.[6]

To argue that we cannot afford higher taxes on the rich, is to ignore the trend in total taxes paid by income class in the last 20 years.[7] Between 1990 and 2005, the proportion of income paid in taxes of all kinds rose from 26 to 31 percent for the poorest Canadians. However, for the richest 1% of Canadians, the taxes to income ratio fell to 30 per cent — the very rich now pay less total tax as a portion of income than the poorest. A progressive income tax system is one way to level out some of the inequalities in our society.

To build a real sense of community in Nova Scotia, we have to include our least fortunate citizens. Providing equal opportunities to everyone requires financial resources—it is only fair to ask Nova Scotia's most fortunate citizens to contribute a portion of their rising incomes. This budget primer provides tools to understand which tax options are progressive, which are regressive, and who stands to gain or lose from tax changes.

- PROGRESSIVE taxes are based on the principle of ability to pay — the more you make, the more you pay as a share of income. A progressive income tax system applies higher tax rates to income above a series of thresholds.

- REGRESSIVE taxes take up a bigger share of income for lower income people than higher-income people. In practice, flat taxes charge everyone the same dollar amount (such as user fees) or the same percentage amount (such as sales taxes). However, someone on a low income would find the fee a much bigger cost, as a share of income than a higher income person. As for sales tax, they cost upper-income people less as a share of income, because they are more apt to save and invest their money, which is not subject to sales taxes.

TABLE 1 Progressive Tax Options to Raise New Revenue and Enhance Fairness

Tax Change	Potential Additional Revenue Raised (single year $Millions)	Could Provide Funding to....
Raise taxes on the two top brackets (raise by 1% income bracket of $93,000 to $150,000 and above $150,000)	36.414	Hire 100 nurse practitioners ($12.3M); Create new Cooperative Investment Corporation ($14M); Eliminate ambulance fees ($9.7M)
Fully tax capital gains	56.074	Convert Nova Scotia students' provincial loan from 30% to 100% grant based ($15 million); Reduce tuition by 50% for the NS Community College ($16M); Reduce university tuition fees by 10% ($25M)
Shift federal deductions to provincial tax credits and make all tax credits refundable	193.157	Open 8 new Community Health Centres and provide core-funding to existing facilities ($40M); Support municipalities to upgrade water and wastewater infrastructure, as the first year in a three-year commitment ($60M); Create and fund first year of a provincial transit corporation, Transit Nova Scotia ($18M); Enhance/help sustain Community Transportation Assistance Program for community-based inclusive transportation services ($2M); Allocate $20M for housing and homelessness support social and co-op housing repairs and for non-profit housing providers programming; Core funding to non-profit providers of support for women (shelters, transition houses, women's centres, sexual assault centres and related programming) ($10M); Begin phase-in of universal early learning and child care system ($43M);
Eliminate and reinvest cost of Energy Rebate	116	Establish Universal Service Program for electricity and heating fuels for low-income households ($14M); Funding to Efficiency Nova Scotia new programs targeted at low-income renters ($3M) Increase social assistance rates 20% ($70M); Increase NS Child Benefit by 20% ($5.7M); Build 120 new social housing unit ($24M)
Introduce a pollution tax (at $10/tonne rising $5 each year for 4 years)	74 rising to approximately 223.9	An equal universal *taxable* dividend for every Nova Scotian leaves a net income of $24M raising to $70M; net amounts invested to support poverty reduction and energy efficiency/renewables initiatives

*Most of these figures are from the Nova Scotia Alternative Budget 2014, A Budget for the 99%

Progressive Tax Options

Most Canadians support a progressive tax system in which the tax rate rises as income rises. Unfortunately, regressive taxes, such as sales and property taxes have grown in importance. We need to rebalance our tax system to respect the guiding principle of ability to pay.

The changes summarized in *Table 1* (many of which have been included in our *Alternative Provincial Budget*[8] in years past) would increase the progressivity of the system and make it more fair and equitable, while beginning to address income inequality.

Given that the focus of these tax increases is on the top income earners in Nova Scotia, only a minority of taxfilers would be affected (see *Table 2* for current tax brackets and percentage of taxfilers).

TABLE 2 Nova Scotia Income Tax Brackets 2015

Bracket	Income Level	Tax Rate	% of Taxfilers in each bracket*
1	on the first $29,590 of taxable income	8.79% (0 tax on the first $8,481)	55.7
2	on the next $29,590 (up to $59,180)	14.95%	23.8
3	on the next $33,820 ($59,181–$93,000)	16.67%	14.0
4	on the next $57,000 ($93,001–$150,000)	17.5%	5.3
5	on the amount over $150,000	21%	1.2

*Based on Canada Revenue Agency, taxfiler data 2011, most recent available data and is approximate; it reflects the share of tax filers with total income in the nearest income group as listed in the CRA data.

Why Capital Gains Should be Fully Taxed

The taxation system for capital gains is unusually generous. If you have capital gains, you only pay tax on half. In contrast, "taxable income" covers 100% of most forms of "income" including employment insurance, social assistance, and student scholarships. The major driver of taxable capital gains is speculation — in land, currencies, commodities, and the stock market. While some forms of speculation help smooth prices, speculation often leads to bizarre or harmful price fluctuations, such as the recent housing, and derivatives "bubbles". While some made huge capital gains by taking advantage of these bubbles, a significantly higher number were devastated when the bubbles burst.

McQuaig and Brooks estimate that the top 1% of Canadians saved almost $8 billion in federal taxes since 2000 when the inclusion rate was lowered to 50%. In Nova Scotia, the top 1% (incomes over $150,000) reported taxable capital gains of $130 million 2009, out of a total of $209 million. The 880 Nova Scotians with incomes over $250,000 reported $101 million in taxable capital gains. Thus, the top 1%'s share of taxable capital gains was 63 times their weight in the population.

CCPA-NS is not suggesting any change to the capital gains realized when we sell our homes, or small businesses such as farms or fishing boats. These assets are exempt from capital gains taxation because it is assumed they will have to replace them as assets. All other capital gains should be taxed at 100%.

Tax Deductions, Tax Credits and Public Investment: How to Weigh Benefits

When we consider current deductions and credits, it isn't clear why the lines were drawn in this way. For instance, why should someone with a company pension plan or the capacity to save through RRSPs receive a deduction on these items, while Canada Pension Plan contributions are only eligible for a credit? Is it a co-incidence that the deductible items are more likely to be claimed by people with higher incomes, while tax credits are available to everyone?

Converting tax deductions to tax credits would go a long way towards improving the progressivity of our tax system. People in the lowest tax bracket would not be affected, but such a move would take some of the advantages to higher brackets away.

Those earning the highest incomes receive the largest benefit from deductions, the inevitable result of progressively higher tax rates (8.79% for the first bracket, up to 21% for the top). Should the greatest benefit flow to those with the most ability to absorb expenses?

Even if the deduction-to-credit changes were made, some problems would remain. Many people in the first tax bracket (earning under $29,500) do not or cannot participate in most of the programs currently eligible for deductions or tax credits, such as RRSPs, child care, union or professional dues, company pension plans, and business losses. These people are not members of unions or professional associations, have no access to company pension plans, do not run businesses, or simply cannot afford to put their children into day care or set aside money for RRSPs. Even if financially insecure people could afford to participate, their incomes would likely be so low that taxes levied would amount to less than the credits they would be eligible to claim. Meanwhile, those with high incomes can afford the opportunities, and can apply all of the credits they generate. In addition, it is still the case that the traditional family unit (which assumes one male breadwinner) forms the basis for many tax credits, which discriminates against families headed by lone females or by other non-traditional families and perpetuates a female dependency-model.

Nova Scotia has a number of so-called 'designer' tax credits, which target specific issues, such as sports or cultural activities for children. If this lost revenue were collected, it could be used to provide either accessible and affordable recreation and cultural programs and public services for everyone, or improve income support for those who need it the most. Removing the Healthy Living Tax Credit would not be regressive, because it benefits those who can afford to pay for fitness programs up front. However, what the government does with the savings from its removal needs to be made clear. Did it further invest in programs like *Thrive!* and others that directly support those who need it the most?

Tax Rebates and Public Policy Objectives: Do They Align?

Most of the tax rebates in Nova Scotia are related to exempting certain items from the provincial tax portion of the Harmonized Sales Tax (HST). The more one spends, the more tax the government forgives (and the more tax everyone else has to pay to make up for it). This kind of tax expenditure can be very costly, and does not contribute to meeting any public policy objectives.

The Broten report suggests offsetting the increases in HST by eliminating the energy rebate and all other rebates, while increasing the Affordable Living Tax Credit (ALTC) and the Heating Assistance Rebate program. Both programs are too narrowly targeted and insufficient to even begin to address the cost challenges facing families raising children in our province: the ALTC is clawed back when a family's income is over $30,000, or for those struggling to pay for electricity. Any savings from the elimination of rebates must be invested in programs designed to address those policy objectives. The government could be helping families to cover their basic needs by reducing the costs associated with raising children, and addressing energy poverty through the introduction of a universal service program.

As for the energy rebate: it is an inefficient use of limited government resources. It sidesteps problems at the root of high electricity costs and the inability of some to pay their bills. Nothing in the rebate requires individuals to introduce better and more efficient energy systems in their homes. An across-the-board energy rebate provides savings to everyone regardless of what they can afford (the government should release their analysis of which income group benefits the most).

The program suffers from several significant weakness: first, in implementation, it is a regressive measure: higher income earners generally have larger properties and use more energy than lower-income earners; second, it is very advantageous for landlords, who may not pass on savings to their tenants; and third, it acts as a subsidy for energy usage—given the cost of high energy usage on our environment, this is an undesirable situation. Individual tax "savings" are no substitute for an overall strategy for energy security or poverty reduction.

The CCPA-NS has opposed the energy rebate since it was proposed, and supports its elimination as long as the savings are reinvested to achieve goals related to making energy renewable, efficient, more secure and accessible to those on low-income.

Some tax exemptions make sense to keep, especially those in line with defined policy objectives. The tax exemption on books is a great example. A tax on books sends the wrong message in a province with such high illiteracy rates. While the province does need to invest in literacy programs, without a tax exemption in place, they would need to invest even more in book publishing and book selling to ensure that books are affordable and accessible. Similarly, the tax rebate on feminine hygiene products is the only way to address a problem of inequity, as this tax is only imposed on women. The government should not put the tax back on children's clothing, shoes, and diapers without assisting families with these costs either by significantly increasing the child tax benefit or/and investing in child care to decrease costs.

It is Time to Put a Price on Pollution

Putting a price on pollution (a carbon 'tax' or 'fee') is one way to address greenhouse gas emissions. A price on pollution penalizes companies based on their carbon dioxide or greenhouse gas (GHG) emissions, rewards changes in consumer behaviour, and promotes the transition to a greener economy. A carbon tax has many advantages over other methods (such as cap and trade): it targets all greenhouse gas emissions, is relatively inexpensive for governments to introduce, and does not need as much enforcement effort as regulations would. It is a fair tax in so far as companies price it into their goods and services: individuals thus pay the cost of it in proportion to the emissions their consumption causes.

However, the tax raises an important equity concern: it would be biased against rural and low-income consumers who are unable to change their behaviour (who have to drive longer distances and/or are unable to afford to upgrade the energy efficiency of their homes or vehicles) to consume less carbon. Given these concerns, it is important that the revenue generated from a price on pollution not be used for general or corporate tax cuts. The government should consider paying a dividend to every Nova Scotian from these revenues, with additional compensation for those living in poverty. At the same time, the government must ensure that investments are made in infrastructure to achieve further improvements in renewable energy and to support universal public services.

Tax Changes That Will Decrease Progressivity

Income tax is designed to be progressive — the rates rise as income rises; those who have more income contribute more in taxes. Flattening or moving away from this system and towards other forms of taxation, or making sweeping tax cuts will favour the wealthiest and erode the progressivity of our tax system. See *Table 3* for a summary of the impact of select tax options that are concerning for their erosion of progressivity.

Consumption Taxes: Flat But Not Equal

The Broten taxation review also recommends that the government rely less on income tax as the main source of revenue, and more on consumption taxes by broadening the range of products and services that are taxed (removing exemptions for books, children's clothes and shoes, diapers and women's hygiene products).

Shifting taxation toward consumption taxes over income taxes disadvantages those struggling to make ends meet, who have little (if any) disposable income to make spending choices, especially choices about what or when to spend. Those who have less income pay proportionately more of it on sales tax for things they need than do those who have more income. People living in poverty pay consumption tax on almost 100% of their income,

TABLE 3 Impacts of Broten's Proposed Taxation Changes

Tax Changes	Revenue Change	Impact
Eliminate 5th tax bracket (21% on earnings over $150,000); collapse 3rd and 4th brackets (setting the rate at 17%	-$72 million	Gain for high income earners; Rural Nova Scotians and women to benefit the least (higher income earners more concentrated in Halifax area by virtue of population size; fewer women earning at this level).
Move away from income tax to consumption tax; continue to flatten & cut income tax; further decrease of 1%	-$220 million	Decrease progressive nature of tax system; benefit higher income earners most because those taxed at the highest rates have the most to gain.
Introduce Pollution Tax (exclude electricity) at $5/tonne; increase gradually to $30/tonne (as in British Columbia)	+$74.7 m rising to $223.9	Possible investment to offset tax increase including in Child Tax Benefit would help lower-income families; Most of the revenues to be used to finance income tax cuts, which will favour higher income; working class worse off because they don't qualify for additional offsets.
Eliminate Healthy Living Tax Credit, Volunteer Firefighters Credit	+$5.1 million	Savings from eliminated credits must be reinvested in program spending, or assist municipalities to fund recreation, volunteer firefighters, etc.
Eliminate rebates to broaden consumption tax	(1) Energy Rebate: +$110 m; (2) Other (diapers, books, kids clothing, shoes): +$18 million	Cancelling all rebates creates hardship for families: consumption tax is regressive, benefits higher income earners. Some offset proposed for low-income, but not enough; working class/middle-class likely worse off; any rebates eliminated must be reinvested to meet policy objectives.
Raise Personal Allowance to $11,000 from $8,481.	-$112 million	This change is not an efficient use of resources: most helpful for higher income earners. $43 tax cut for those earning up to $10,000; $158 10–$20,000; max $200/year everyone else.
Address Bracket Creep (index to 1.2%)	-$20 million increases to $102 million	Advantageous for higher income earners; some benefits for those earning $30,000+ (first tax bracket) but none at all for those earning less, people on fixed incomes, those not receiving income increases.
Corporate tax cut: 2.5% decrease from 16% to 13.5%	-$24.1 million, rising to $76.8 million	No evidence that this will create jobs; represents significant loss of revenue to fund public services and infrastructure.
Further decrease corporate tax rate using pollution tax (2% decrease down to 11.5%: total decrease of 4.5%)	-$54 million	No evidence that this will create jobs or increase competitiveness.
Raise small business tax from 3% to 8%	+$11.6 rising to $73.1 M	Inadequate evidence of impact.
Increase user fees (by 3% for some and more for others) and eventually institute full cost recovery and/or privatize some services	+$7.7 million	Introduction of more regressive taxation; public services should be funded by general revenue.
Asset monetization of infrastructure: selling older public assets to generate funds for new infrastructure & charging the public to use the sold assets	Cost/Benefit unknown	Privatization has been proven costly and decreases transparency/accountability. The province should invest in public infrastructure while it is able to borrow at low interest rates. This will stimulate the economy, create jobs to benefit Nova Scotians.

whereas people with higher incomes can choose to save or otherwise avoid consumption taxes. For example, those who can save 20% of their income pay an effective HST rate of only 12% (15% *0.8), while those who have to spend everything must pay the full rate of 15% on their entire income. In addition, the move to consumption taxes ignores the fundamental principle of equity and fairness: those with greater ability to pay more should be required to do so.

Even if the government attempts to offset the broader consumption tax by increasing the ALTC and the Heating Assistance Rebate Program or the NS Child Care Tax Benefit, broadening would still hurt the poorest among us, and the working poor in particular, disproportionately (given the income restrictions on rebates and credits). If provincial tax rebates (which are currently applied at the point of sale) for various products are removed, where will people find the money to pay for them in the first place? Upfront costs can represent serious barriers that are difficult to 'offset.' Additionally, using the tax system to provide income supports introduces a time lag into the equation: those eligible for rebates must often wait for quarterly payments that are based on the previous year's income. Any broadening of the consumption tax system needs to have defined policy objectives.

User Fees: Regressive Taxation by Another Name

In addition to any changes that shift away from income and toward consumption tax, Nova Scotians should be concerned that the government will continue to increase user fees. Broten recommended that the government seek to increase user fees on the road to "full cost recovery" for what so-called "nonessential public services". How are "nonessential public services" to be determined?

User fees are a regressive form of taxation: as the fees are fixed, they take up less of total income as income increases. The continual increase in user fees is a concerning trend given their regressive nature. There are 1400 user fees in Nova Scotia.[9] The province takes in roughly $250 million in these fees per year; half of which come from the Registry of Motor Vehicles. Other fees include a range of licenses and registrations for marriage and birth, as well as camping, museums, and hunting.

Fees were last reviewed last in the province in 2000 by the Auditor General; a full Task Force review had been conducted a few years before that. The Auditor General flagged many concerns about user fees that ought to be revisited. According to the Auditor General, "there are no government-wide policies, procedures or practices to ensure consistent and fair application of user fees."[10] The rising cost of fees at all levels of government was a concern raised by the Parliamentary Budget Officer as well.[11] Parking fees for hospitals and other health care facilities should be considered, reported on, and fully accounted for on an ongoing basis. Undoubtedly, many hospitals have become dependent on these fees, which are an unfair form of taxation that many people cannot afford. Any further reliance on user fees for provincial government revenue is not recommended, given that the federal government and municipalities also charge a range of fees.

Health Care Premiums: The Time is Never

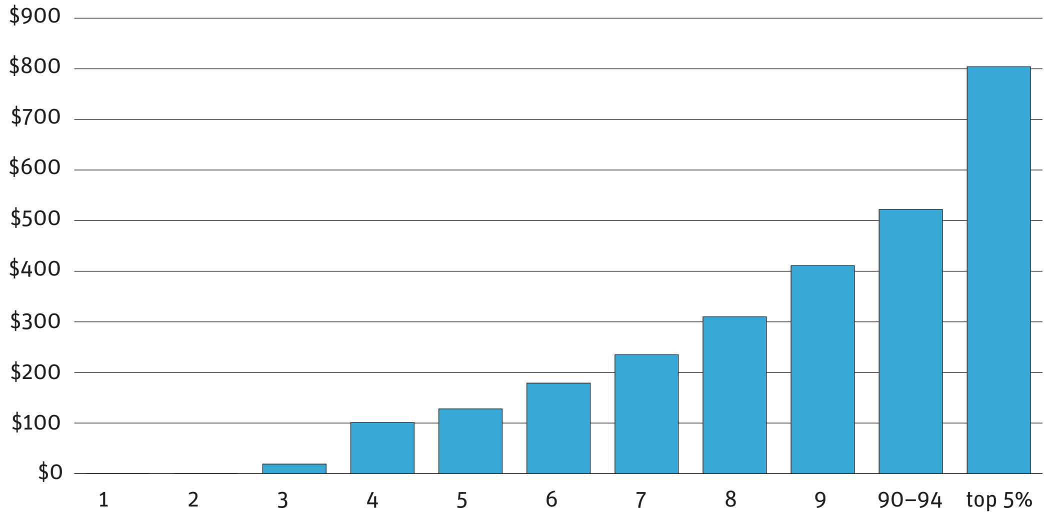
While there has been some discussion of the possible introduction of a health care premium, it is crucial that public, universal health care be funded by the progressive income tax base. British Columbia's health care premium is an exemplary case: it is collected outside of the tax system, which is regressive, and requires a costly bureaucracy to administer.[12] In BC, the premium is calculated per person in a household with a maximum for a family of three or more. All but low-income households pay the same dollar amount regardless of their means. This system has contributed to skewing the tax system in BC to favour higher income earners; the BC government takes in about the same amount in corporate taxes as it does from the health care premium.[13]

Across the Board Tax Cuts: in the Interest of the Wealthiest

In the Broten review, the indexation of tax brackets to annual inflation is presented as if it will benefit everyone equally. Adjusting brackets is meant to address the issue of income claw-back when income rises to cover inflation and you move to a higher tax bracket as a result. The people who benefit from indexing income tax brackets those at the top of a bracket (about to have their additional income counted in the next bracket) and those above that bracket who have some of their income now included in the expanded brackets below their top one. The people who do not benefit at all from bracket creep adjustments are those in the first bracket, many of whom have fixed incomes and will never receive enough increases to have some of it taxed in a higher bracket. Anyone with a fixed income will not benefit from this proposal. Once again, an attempt at fairness is fairer to those who need it the least. This attempt at fairness will increase in cost from $20 million to $100 million and will continue to compound. *Figure 1* illustrates who gains and by how much with this tax proposal. This figure shows the result if the brackets in NS were indexed starting in 2010. What would have happened by 2015? Who would see higher after tax income and what would be the net gain in after tax income? The analysis shows a $19 average gain in income over 5 years for lower income households ($23,619–$33,486), and no gain for those earning under $23,618, as opposed to an average gain of $804 for the top 5%. These tax cuts cost almost $90 million.

The amount of revenue lost/cost for both of these proposals can be better spent by either targeting those who need it the most by improving the accessibility of income supports, or improving the quality of our public services.

FIGURE 1 Family Average Change in After-Tax Income($)



Source Modelled using SPSDM 22, Figures exclude the impact of consumption taxes; For 2015 tax year using NS tax brackets in 2015 (VPTX) * (1.02)^5; Over 5 year period.

Corporate Tax Cuts and Job Creation: A Lack of Evidence

A government budget should ensure that job training and job creation initiatives increase secure employment at livable wages. Taxes can serve as either disincentives or incentives supporting economic development.

Broten's taxation review recommends that the general (big business) corporate income tax rate be cut from 16% to 13.5%. This would result in a $76.8 million loss of revenue. While the report argued that the high tax rate is a disincentive for businesses to grow (it claimed that the small business tax rate is too low for the same reason. While there may be an argument for harmonization, the province cannot afford the corporate tax cut recommended, and there is no evidence that the current rate serves as a disincentive to create jobs. There is also no evidence that cutting the tax will result in any job growth or improved productivity. After many successive years of the federal government cutting corporate taxes, the only result is that corporations in Canada are sitting on a hoard of cash (some $630 billion).[14]

There is evidence that all of the cuts to small business taxes in Canada have thus far not had the desired effect. Rather than promoting the creation of good jobs, they have encouraged self-employed, high earners to become incorporated small businesses (e.g. physicians, lawyers) in order to avoid paying a much higher income tax.[15] This is a perversion of the intent of a small business tax regime and should certainly be addressed.

Conclusion

Taxation is a critical public policy tool. As Ivanova and Klein[16] articulate: if taxes are designed based on principles of fairness and justice as well as environmental sustainability, they are how we:

- *Fund public services and infrastructure — we buy things together that we cannot buy on our own. Pooling our resources through taxes is more efficient and allows us to provide equitable access to much needed services and infrastructure. This creates a safe, stable environment for communities, businesses and individuals to thrive.*
- *Meet a moral obligation to look after one another — by providing supports and services to one another when facing illness, unemployment, poverty or old age.*
- *Enhance economic security for all by spreading payment for certain high-cost needs (such as education and health care) across our lifetimes and our society. Progressive taxes ensure that we pay for the services we use when we're best positioned to do so — during our prime earning years — instead of paying at the point of use.*
- *Redistribute income in the face of market-driven inequality.*
- *Strengthen democracy by transferring some investment decisions from the private to the public sphere, where decisions can be made through a democratic process, not just by those wealthy enough to be shareholders.*

The current tax system needs to change to move Nova Scotia forward. Corporate tax cuts and income tax cuts to the highest earners, and the shift away from income tax to consumption tax are not the tax changes that are needed now and not since the 2008 crisis. Rather, a tax system based on principles of justice and fairness would strengthen our economy and our society as a whole. The tax system needs to change, but those changes must be progressive to ensure that everyone pays their fair share.

Notes

1 Laurel Broten, Charting a Path for Growth: A tax and regulatory review for Nova Scotia (Province of Nova Scotia, 2014) http://www.novascotia.ca/finance/en/home/taxation/default.aspx

2 The word "inequality" appears nowhere in the Broten report.

3 Lars Osberg, *Instability Implications of Increasing Inequality*, (Ottawa: CCPA, 2012) https://www.policyalternatives.ca/publications/reports/instability-implications-increasing-inequality.

4 Mathieu Dufour and Larry Haiven, *The Rising Tides Swamped Many Boats: Rising Profit Shares and Falling Labour Shares in Nova Scotia* (Halifax: Canadian Centre for Policy Alternatives-Nova Scotia, 2008). https://www.policyalternatives.ca/publications/reports/hard-working-province-it-enough.

5 See the Growing Gap project, at www.growinggap.ca, for a chronicling of the various aspects and consequences of this stagnation for Canadian households.

6 Christine Saulnier, and Jason Edwards (2013) "Atlantic Canada's Story of Inequality" http://behindthenumbers.ca/2013/01/30/atlantic-canadas-story-of-inequality

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15 Kaylie Tiessen Small business tax cuts in Canada: been there, done that, January 29th, 2015 http://behindthenumbers.ca/2015/01/29/small-business-tax-cuts-in-canada-been-there-done-that/

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