

City Council**Notice of Motion**

MM18.3	ACTION			Ward:All
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Request to the Federal Government to Close Tax Loopholes and Reclaim Evaded Taxes - by Councillor Michelle Holland, seconded by Councillor Gary Crawford

** Notice of this Motion has been given.*

** This Motion is subject to referral to the Executive Committee. A two-thirds vote is required to waive referral.*

Recommendations

Councillor Michelle Holland, seconded by Councillor Gary Crawford, recommends that:

1. City Council direct the City Manager to convey to the Government of Canada, City Council's support for measures to reclaim unpaid taxes that have been evaded, as well as its encouragement of the federal government to close tax loopholes that allow certain taxpayers to avoid paying their fair share of taxes in Canada.

Summary

The recent high profile release of the so-called "Panama Papers" has brought considerable attention to the issue of tax evasion and tax loopholes that facilitate efforts by certain taxpayers to avoid paying their fair share of taxes. The federal government has launched an initiative to investigate tax evasion that they suggest will reclaim \$2.6 billion in taxation over five years that has not been collected. The reality is that in view of what has been revealed in the "Panama Papers" certain practices may in fact allow for even more significant amounts of unpaid taxes to remain unclaimed. Additionally, loopholes in the taxation system are likely to have facilitated legal but unfair efforts by individuals and corporations to avoid paying their fair share of taxation. Such efforts place an unfair additional burden on those Canadians who pay their taxes and who do not seek ways to evade fair taxation. This unfair burden that is placed increasingly and disproportionately upon middle-income earners needs to be addressed through fairer taxation policy. The loss of these taxes directly impacts the level of services that governments could potentially provide to residents across Canada. In the case of municipalities, such as the City of Toronto, additional funding could be made available through the federal and provincial governments for important initiatives such as transit renewal and broader infrastructure projects.

Background Information (City Council)

Member Motion MM18.3