

KEVIN O'REILLY—MLA FRAME LAKE
Northern Residents Tax Deduction
Committee of the Whole—2018-2019 Operating Budget Review
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MR. O'REILLY: Thanks, Mr. Chair. I appreciate that, and I look forward to the discussion.

Is this the place where I can ask about the Northern Resident Tax Deduction, which I know is a federal income tax area, but is this where I can ask questions around indexing of that deduction? Thanks, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you, Mr. O'Reilly. Is this the appropriate section, Mr. Stewart? Mr. Stewart has nodded in approval, as has the Minister. Mr. O'Reilly, do you have a question about that?

MR. O'REILLY: Thanks, Mr. Chair. They know what I am going to ask. Every year I come back, and I ask the same things: what are we doing about indexing the Northern Resident Tax Deduction, and what are we doing about the continuing frustration of NWT residents about audits of our travel receipts and so on? CRA will not set what the lowest northern air fare is. People have to try to guess it on an annual basis, and then we get audited.

What are we doing about those issues? I keep coming back and asking. I know the Minister says he is working on it, but what we need is for the Minister to put pen to paper and write a letter to the Minister responsible for CRA and say, "Fix this," and tell her how to do it. What are we actually doing on these two matters? Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you, Mr. O'Reilly. Minister.

HON. ROBERT MCLEOD: Yes, thank you, Mr. Chair. Mr. Chair, to the Member's point -- and he has raised this a couple of times, and we have had correspondence from the Member on this particular issue -- I have had conversations with the federal Minister. I have raised it with him. We have had conversations with CRA and raised the issue with them. I have also, in the last meeting, had conversations with our counterparts in Nunavut and Yukon on some of the challenges that are common between all three jurisdictions. They have gotten our message, and we will continue to have those conversations. We will try to move it along a little more quickly, but continue to have those conversations.

I am going to turn it over to Mr. Stewart to touch on the second part of the Member's question if I may, Mr. Chair. Thank you.

CHAIRPERSON (Mr. Simpson): Thank you, Minister. Mr. Stewart.

MR. STEWART: Thanks, Mr. Chair. As the Member pointed out around the travel and the audits, we certainly have had several discussions with CRA about that. I am sure the Member is aware that they have proposed a solution, but it will take some time to implement that. We have followed up with them to see if there are things that we could

expedite to move those changes or other options around some of the suggestions that have been made to maybe make that an easier process, but it is a federal program. We will continue to push, but, at the end of the day, the federal government will have to decide what they are going to do with that. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you. Mr. O'Reilly.

MR. O'REILLY: Thanks, Mr. Chair. Yes, I did have some correspondence with the Minister about that on this very topic, particularly around the audits.

Maybe I could just ask: what exactly is it that the federal government has to change to be able to set the value at a fixed amount or index a fixed amount for the air fares? What exactly do they have to fix? Is it a regulation? Is it a policy? Thanks, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you, Mr. O'Reilly. Mr. Stewart.

MR. STEWART: Thanks, Mr. Chair. I believe those are set in regulation, but I would have to confirm that. That is my understanding is that it is a regulation and under the federal system, but we will confirm that, and we can get back to the Member on that.