

## MEMBER STATEMENT—KEVIN O'REILLY MLA FRAME LAKE

### NORTHERN RESIDENT TAX DEDUCTION

February 12, 2021

**MR. O'REILLY:** Merci, Monsieur le President. We all love to hate northern resident tax deductions. I seem to raise these deductions on an annual basis, like a broken record. I know this is not our Minister of Finance's program, but it is going to take our Finance Minister's intervention to get this fixed. We all know the ridiculous problems with the northern resident deductions: they are not indexed in any way; it takes monumental efforts to adjust the amounts; Northerners are subjected too often to time-consuming audits; and the annual guessing game of what the Canada Revenue Agency might accept as a lowest return airfare rather than setting it at a reasonable rate and making it publicly available.

Back in April 2018, CBC reported that residents of the three northern territories were being audited about three times more often than taxpayers in the South. The then-federal Minister of National Revenue promised to look into it. In August 2018, the Canada Revenue Agency opened offices in each of the three territorial capitals. While service may have been improved, the core problems with the northern resident deductions were not fixed. The federal Minister then opened a so-called consultation on the lowest airfare requirement for the northern resident deduction. The deduction is set by regulation and has been in place since 1987. Northerners have been complaining ever since. The consultation proposed that a taxpayer would be required to determine a reasonable amount of a return economy airfare ordinarily available for the date of travel. For example, a claimant is supposed to obtain a reasonable airfare amount for the day of travel from a travel website in the days leading up to a trip. Mr. Speaker, that might work if you have Internet access and the Internet actually works when you need it.

The consultation on the lowest airfare closed on April 17, 2019, and it has been radio silence ever since. There is no "what we heard" report, no policy or regulation change, nothing. I will have questions later today for the Minister of Finance, to see if there has been any progress on fixing these chronic problems with the northern resident tax deductions. Mahsi, Mr. Speaker.