



BASIC INCOME WATERLOO REGION

# AFFORDABILITY: PAYING FOR A BASIC INCOME GUARANTEE (BIG)

A BIG is an affordable, proven solution that benefits Canadians and our economy. It ensures everyone has sufficient income to meet basic needs, participate in society, and live with dignity.

The PBO (2022) estimated a net cost of \$51 billion for a BIG modeled after the Ontario Basic Income Pilot, which includes offsets from federal and provincial sources. Cost could be higher or lower depending on final details.

## CRITERIA TO PAY FOR A BIG

- Has broad support from Canadians
- Does not adversely impact how 97% of Canadians live
- Encourages entrepreneurship
- Improves tax fairness and equity
- Minimizes deficit financing

<b>Paying for BIG - There are many ways to pay for a BIG, some examples follow that align with the criteria</b>		<b>Est Annual Financial Contribution (Billions)</b>
1. Address Tax Havens	Hire and direct more CRA special personnel to track and enforce taxation and compliance for Canadian individuals and corporations (PBO, 2019)	\$68
2. Close Tax Loopholes	Close Stock Options loophole (1977) while protecting the intended small new companies (Anderson, 2022)	\$1
3. Increase Federal Corporate Taxes for Large Corporations	a) Return Federal Corporate taxes to 20 % from the current rate of 15-16% (\$11B) b) Implement an Excess Profits Tax and Minimum Foreign Profits Tax (\$20B) c) Close large Corp. loopholes: Min Tax on large Corp. Book Profits (\$7B) (Alternative Federal Budget, 2024)	\$38
4. Tackle Web Giants	a) Tax Canadian spending on foreign digital media b) Ensure equitable laws and policies for all web providers (Alternative Federal Budget, 2024 & Gauvin & MacEwen, 2021)	\$3
<b>About seventy years ago (Oved et al, 2007) people and corporations contributed equal amounts of income tax to the Canadian government. Now, people pay 75% of Federal income tax while corporations only pay around 25%. (OCED, 2020)</b>  <b>Poverty costs about \$80 Billion per year in Canada. (Canada Without Poverty)</b>  <b>GLBI reduces costs related to poverty, such as healthcare, justice, and social services systems.</b>		<b>Total \$110</b>

