

Panelists push for Alberta sales tax, but not everyone agrees

"If we increase taxes more than we have, is that going to help the average family out there that's struggling? I don't think so."



GORDON KENT

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Alberta needs a provincial sales tax to help deal with an unsustainable fiscal situation, but it won't resolve all the looming financial issues, a tax and economics expert says.

An eight per cent provincial sales tax, on top of the five per cent federal goods and services tax, would give the government \$7.4 billion annually (after a rebate is given to low-income earners) and would reduce reliance on

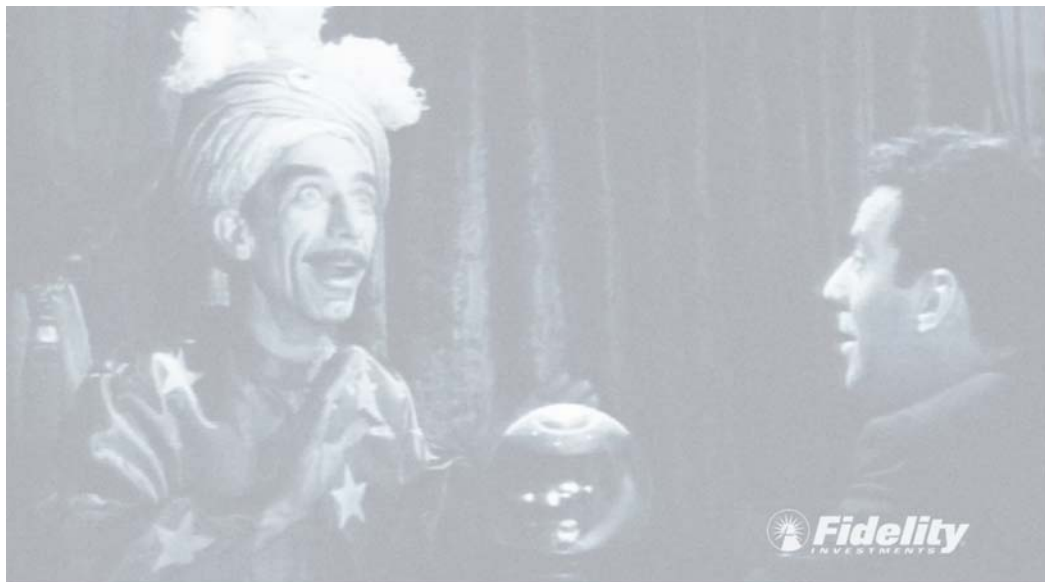
oil and gas revenues, said Bev Dahlby, research director at the University of Calgary's School of Public Policy.

But the province requires about \$14.1 billion a year from higher revenues or lower spending to deal with rising debt and achieve sustainability, he said Wednesday as part of a sales tax panel organized by the Economics Society of Northern Alberta.

Although then premier Ralph Klein reduced program spending 20 per cent in the 1990s, this led to major service cuts, Dahlby said.

"We may need a sales tax as part of the solution to our fiscal problem and our reliance on volatile resource revenues and (an) unsustainable debt."

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Elizabeth Smythe, a professor of political science at Concordia University of Edmonton, said the benefit of such a levy is that it would produce stable revenue and be paid by everyone.

While it's important to discuss whether to introduce a sales tax before government finances get out of hand, she doesn't expect to see one anytime soon because politicians fear a backlash from voters.

Many people don't link taxes to services they rely on and don't trust the government to spend the money properly, Smythe said.

"The problem is, if we don't address the revenue situation, we could end up with deficits increasing and adding to our debt load over time, and to a crisis where we might have to end up doing drastic cuts and find increased revenue."

Alberta is the only province without a sales tax. Colin Craig, Alberta director for the Canadian Taxpayers Federation, said introducing one would be unnecessary, cause economic damage and wouldn't be popular.

Instead, the government should reduce spending through such moves as giving new employees lower salaries and pension plans, and delaying capital projects, he said.

"If we increase taxes more than we have, is that going to help the average family out there that's struggling? I don't think so."

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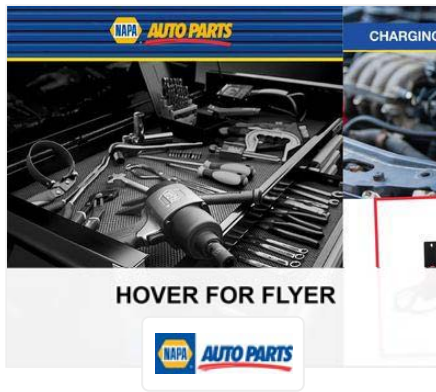
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Bryan Thorsten

How about we cut all academic salaries by half, lay a bunch of them off and voila we have the cash. Hard to meet any academic that doesn't think more taxes is the cure for everything. Kind of makes a person wonder who they are in it for!

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Cam Gall · Astronaut at The Moon

good idea, get rid of all the teachers....I think Stalin started that way.

Like · Reply · 1 · 20h



Bryan Thorsten

Cam Gall First he used them to gain power,then he got rid of them.

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Phil Rehm

We already pay more tax than we should. Our governments have a SPENDING problem, not a revenue problem. They continually throw money at lobbyist and special interest projects in an attempt to get re elected. If they showed a miniscule amount of actual leadership qualities, they would be making decisions that make things better for the province, instead of just for themselves. Instead of

increasing our btax burden, STOP EQUALIZATION payments, and put that money towards provincial debt. It is ridiculous for us to continue to over pay in this programs so that other provinces can fare better while we have become a have not province

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Jules Dupont

I don't see a lot of the discussion focusing on the potential decreases in discretionary spending that would come from the introduction of a provincial sales tax. When they talk about how much \$\$ they would collect from a PST, are they basing that on the notion that the number of instances of people buying furniture, a new vehicle, new clothing etc. won't change? I firmly believe that if all of the above were suddenly more expensive, people would shop less. So then they wouldn't collect as much in PST as they seem to project.

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Jim MacNichol · Owner-operator at Tarjac Drywall & Interiors Ltd.

We'd have to shop less. Pretty much stopped shopping already

Like · Reply · 1 · 13h



Don Noble

Albertans do NOT need another tax. These so called experts are all academics (paid by their respective governments). What is needed is more accountability for government spending (reduce the size of the civil service and make government much more efficient in delivering services).

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Allan Paquet · Edmonton, Alberta

I see the gaslighting alt-righters are out in force.

Klein did this to us. He turned our economy into a fragile house of cards propped up by \$100+ oil. He slashes royalties and corporate taxes and gave us the flat tax. He replaced those revenues by diverting our energy monies away from our savings in the HTF. The arrogant folly of this madness resulted in a massive deficit the moment the price of oil collapsed. Prentice(remember him?) warned us in his 'look in the mirror' speech about a 7 billion deficit (at \$60) and called an early election to get ahead of a much worsening situation.(it dropped to \$29)

Unfortunatley if oil recovers it will only return us to the old recipe of squandering all savings.

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