

Housing Taxes The Problem, Not The Solution



The federal government may be again considering a tax on the sale of Canadians' primary homes.

The media report Prime Minister Trudeau held a private meeting just before Canada Day with an organization called Generation Squeeze, advocates of such a tax.

A 2022 report by Generation Squeeze, funded by CMHC, explored a surtax on primary homes, with a "roll out strategy" using BC's "School Tax legislation" as "guidance."

Previously, the federal Liberal party has considered a new tax, however, the Liberal government decided against the policy to avoid pushback from voters.

At the time, Globe and Mail columnist Andrew Coyne suggested, "As with most such proposals to take away someone's tax break, the bigger the blowback, the better the idea."

When did the absence of another government tax on private property become a "break?"

A "break" implies the government has an inherent right to Canadians' private property, allowing us to retain a portion.

A tax on personal property, especially a home, is not a government right. It is an imposition on our property rights and financial security.

Taxing a primary residence ignores the fact that homeowners already pay GST, PST, Property Transfer Tax, building permit fees, Development Cost Charges, amenity fees, and a lifetime of property taxes.

In addition, there is the Capital Gains Tax on selling homes, other than a personal residence; BC's Speculation Tax on family cottages; Underused Housing Tax, etc.

Taxes on housing generate billions of dollars in government revenue.

Fortunately, the National Post's Jesse Kline set the record straight. He said, "...the Globe and Mail argued the real estate market should be cooled by taxing capital gains on the sale of primary residences, conveniently forgetting that Canadians already pay huge sums of money in property taxes..."

He adds, "What's not supposed to happen is for meddlesome politicians to artificially decrease the supply of housing and drive-up prices through bad zoning and other laws, and then use that as an excuse to increase taxes."

Years ago, many of these taxes did not exist and the market was able to provide abundant housing for a variety of income levels.

Clearly, taxes on housing are the problem, not the solution.



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