



# B.I.G AND THE PERSONAL INCOME TAX SYSTEM: HELP OR HINDRANCE

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# Outline

- Why the tax system
- How the tax system
- Consideration of using the tax system
- Necessary reforms



## Why the tax system

- Integration of tax and transfer
- Administrative efficiency
- Reduced stigma and intrusiveness
- Rich data availability



# How the Tax system

- Refundable tax credit(s)



# Considerations when using the tax system

- General institutional concerns
  - Purpose
  - Tax collection agreements
  - Approvals for changes
  - CRA
  - Complexity
  - Dispute Resolution
  - Money not services
  - Responsiveness



# Considerations when using the tax system

- Specific institutional concerns
  - Tax filers
    - Who to file
    - What has to file
  - Income
    - Taxable income
    - Income underreporting
    - Asset reporting
  - Individuals vs Households



# Necessary Reforms for unification

- Harmonize federal and provincial efforts
- Simplification
- Pre-population tax forms
- Retraining/refocus CRA mandate
- Expanding reportable income & assets
- 3<sup>rd</sup> party reporting
- Withholding
- Frequency of reporting
- Increased data matching





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Thank you!

Questions?

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