

Addendum: Supporting Data & Sources

Policy Mechanics

- Current federal Basic Personal Amount (BPA): \$15,705 (2024)
- Proposed BPA: \$40,000 (tax-free threshold)
- Tax savings: Up to $(\$40,000 - \$15,705) \times 15\% = \$3,675$

Who Benefits

- StatCan (2023): ~78% of Canadian taxpayers earn under \$100,000
- Estimated reach: At least 65% of tax filers see direct gains, with the most significant benefits going to low- and middle-income Canadians

Cost and Offsets

- Estimated cost of BPA increase: ~\$50 billion annually
 - Based on the income data from StatsCan, the **actual estimated cost** of the new Basic Personal Amount (BPA) set at \$40,000 would be approximately: \$47 billion annually
 - This includes:
 - ~\$41 billion for applying the full BPA benefit to taxpayers earning **\$40,000–\$100,000**, and
 - ~\$6 billion in **foregone tax revenue** from taxpayers earning **below \$40,000**, who would now pay no federal tax.
 - This estimate assumes every eligible filer receives the **maximum \$3,675** benefit — so it is a **high-end estimate**. The actual cost may be lower once you account for people who earn just above the existing BPA threshold or who already receive significant tax credits.
- Offset through:
 - Corporate tax rate increase (15% → 20%) + 5% excess profits tax
 - Recoups approximately \$22 billion
 - Reducing corporate subsidies/credits by $\frac{2}{3}$
 - Federal corporate tax expenditures: ~\$47B (PBO 2023)
 - $\frac{2}{3}$ reduction yields ~\$30B in savings
- Combined offset impact: Up to ~\$60B, fully funds BPA expansion while preserving public services.

Contextual Data

- Federal personal income tax paid (2022–23): ~\$207.9B

- Federal corporate income tax paid (2022–23): ~\$93.9B
- Corporate average federal tax rate: ~15.7%
- Household consumption exceeded income by ~\$100B in 2023
- Housing expenditures: >\$400B in 2023