

SURVEY RESPONSES

Thank you to those who took the time to respond to the previous question: **“Do you want Calgary to proceed with an Olympic bid that requires federal tax dollars?”** Production and delivery delays resulted in the question being posed later than intended.

33% of responders said “Yes” and 67% said “No”

If you prefer to answer the new survey online, please visit my website at www.patkellymp.ca

CANADA SIGNED THE UN GLOBAL COMPACT FOR MIGRATION. DO YOU SUPPORT THIS DECISION?

Yes No Unsure

WOULD YOU DESCRIBE YOURSELF AS A (Check all that apply):

- ☐ Parent ☐ Senior ☐ Veteran ☐ Retired ☐ Business Owner
☐ Working Canadian ☐ Unemployed ☐ Youth/Student
☐ Part of a multigenerational household

Comments:

Name(s):

Address:

Telephone:

Postal Code:

Email:

Calgary



Remembrance Day ceremony at Royal Canadian Legion: Jubilee Branch 286.



Sunset Ceremony at the Field of Crosses on November 10th.



Left: Philippines' Consul General Gilberto Asuque

Below: Japan's Consul General Shigenobu Kobayashi



Photos from Ottawa and Calgary



Roy & Paige Greenwood met with me about the Disability Tax Credit.



Met constituents David Nagy and Aparna Krishna, who represented the Association of Consulting Engineering Companies about the need to get energy infrastructure projects approved and built.



Jacob McGregor, a volunteer with the Calgary Ability Network, met with me about Bill C-81.



Coffee time at Rocky Ridge Retirement Residence as part of their Lifetime Learning series.



Representatives of the Canadian Alliance of Student Associations met with me about issues of importance to post-secondary students.



Visited the University of Calgary's Spy Hill Campus, where we toured the Veterinary College and the High Density Library.



Commemorative photo taken in the Chamber of the House of Commons prior to the renovations. For the next many years, West Block will be the temporary location for the House of Commons.

House to House

Serving Arbour Lake, Citadel, Evanston, Hawkwood, Kincora, Lynx Ridge, Nolan Hill, Sage Hill, Scenic Acres, Sherwood, Silver Springs, Ranchlands, Rocky Ridge, Royal Oak, and Tuscany

Winter 2019

www.patkellymp.ca

pat.kelly@parl.gc.ca

403-282-7980



@PatKellyMP



@PatKelly_MP

Dear Constituents,

The Fall session saw the House of Commons deal with several pieces of government legislation and Private Members' Bills. Inside this issue of "House to House" you will find details on Bill C-76 (Elections Act amendments), Bill C-316 (organ donation), and an update on the status of Bill C-69 (pipelines).

I was kept very busy on committee business this fall. The Public Accounts Committee completed and tabled nine reports in the House of Commons and has received ten new reports from the Auditor General which we are now studying.

As an associate member of the Finance Committee, I travelled extensively with the

committee during its pre-budgetary consultations held in cities across Canada. During these hearings the committee heard from many business, labour, and charitable organizations as well as private citizens who wished to provide testimony to the committee prior to the 2019 federal budget.

In Calgary, my assistant Carol retired on January 11th. During Carol's tenure in my office she helped many constituents deal with everything from overseas emergency travel documents to problems with employment insurance, pensions, the federal payroll system (Phoenix system), the Canada Revenue Agency and many, many more. I wish Carol the best in retirement and thank her for her service to my constituents.

I am also pleased to welcome Kate to my office as the new Case Work Officer. As always, I encourage you to contact our office if you are experiencing difficulty dealing with a department or agency of the federal government. Our office is here to help make sure that all constituents are treated fairly and correctly by the federal government in accordance with federal law.

I wish you all the best in the year ahead and look forward to what should be the final Spring Session of the 42nd Parliament.

- Pat Kelly

Reporting on the Tax Gap: Bill S-243

The existence of tax evasion and the underground economy is well known, but Canada currently lacks a reasonable estimate of how much tax revenue goes uncollected as a result. I recently sponsored Bill S-243 in the House of Commons to require the Canada Revenue Agency to measure and report on the tax gap in order to provide such an estimate.

The "tax gap" refers to the difference between how much revenue the Canada Revenue Agency actually collects in a year and how much it estimates that Canadians owe under the income tax act. The very nature of tax evasion and unreported income means that the CRA does not know exactly how much money is concealed through deceit, but the CRA can estimate total taxes owed through one of two approaches.

One approach is the "top-down" approach which looks at measures of the overall economy, such as gross domestic product, and estimates how much should be paid in taxes as a portion of the total economy. The second "bottom-up" approach estimates how many people do not comply based on the results of random audits.

A combination of both approaches will allow the CRA to come up with a reasonable estimate of taxes owing and thus measure the tax gap. Bill S-243 requires the CRA to estimate and report on the tax gap and to provide the Parliamentary Budget Officer with the information needed to do so. This will allow Canadians to judge whether or not progress on combatting tax evasion is being made.

Canadians also deserve to know whether tax law is being enforced fairly and fully. Bill S-243 requires the CRA to report on convictions of both overseas and domestic tax evasions, thus allowing taxpayers to track the success of law enforcement measures. Private Members' Bills usually start in the House of Commons, then move to the Senate if passed by Members of Parliament. Bills can be introduced and passed in the Senate, but they then need a sponsor to introduce and guide them through the House of Commons. Bill S-243 was introduced in the Senate by Prince Edward Island Senator Percy Downe and passed third reading in early December; I immediately moved to sponsor it in the House of Commons. I look forward to debating this bill in the months ahead and hope that all parties will support it. 🍁

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Alberta Energy Crisis and Bill C-69 in the Senate



Conservative Opposition Leader Andrew Scheer, during a pro-Canadian energy rally in Nisku.

On December 18th, the Liberal Government announced that it was making \$1.6 billion in loans available to the oil and gas industry for investments in technology and exploring new markets, sustaining smaller oil and gas businesses through what it calls the “current market uncertainty,” addressing bottlenecks in the freight rail system for transporting oil and gas, and training and skills development programs for laid off oil and gas workers. This new loan program will not solve the Alberta energy crisis; pipeline capacity must be addressed.

Investing in technology to improve extraction or product quality is usually a reasonable use of capital, and for decades such capital has been successfully raised by the oil and gas industry

from the private sector. Such investment will not be made by the private sector if products cannot get to market. Alberta’s energy crisis is due to a lack of pipeline transportation capacity, not due to inefficient extraction methods or product quality.

Addressing bottlenecks in rail transportation is helpful, but the heavy reliance on rail for oil and gas, which contributes to such bottlenecks, is caused by a lack of pipeline capacity. Sustaining small but viable oil and gas enterprises through “market uncertainty” is laudable, but there is nothing uncertain about the market for oil and gas. Canadian energy sells at a severe discount due to lack of access to world markets caused by a lack of pipeline transportation capacity.

Skills and training programs for unemployed oil and gas workers can mitigate some of the damage caused by the lack of pipeline capacity, causing the oil price differential which renders Canadian energy companies unprofitable and has already led to thousands of workers being laid off. However, the energy industry would not need to lay off workers if pipelines are approved and built.

The announced measures do not address the causes of Alberta’s energy industry crisis: the lack of pipeline capacity and capital flight due largely to regulatory uncertainty caused by a tanker ban and introduction of Bill C-69. Bill C-69 is still under consideration in the Senate. The bill changes Canada’s environmental assessment procedure for projects such as natural resource extraction, making the process more uncertain for proponents. Although the bill has not become law, energy investors have already shifted capital and jobs to Texas, the Dakotas, and other jurisdictions with more regulatory certainty.

Since 2016, over \$100 billion of energy sector investment has been cancelled. Over 100,000 skilled jobs have been lost, and the Bank of Canada predicts no new investment after 2019. The energy sector is in its largest decline in over 70 years.

If Bill C-69 fails to pass the Senate before the next election, it will not become law. If you would like to contact one or more Senators regarding Bill C-69, their information is available at sencanada.ca 🍁

Canada Elections Act: Bill C-76

Bill C-76, an Act to amend the Canada Elections Act, received Royal Assent and passed into law on December 13th. While this bill addressed some weaknesses in electoral law, such as providing disability accommodation incentives for parties and candidates, extending advanced poll hours, and facilitating voting by Canadian Forces members, it also contained some controversial provisions and does not prevent foreign entities from funding Canadian 3rd party activists who participate in Canadian elections.

Voters must confirm both their identity and their residency. Bill C-76 allows voter registration cards to be used as one piece of voter identification to confirm residency. This is problematic given the incidence of error on voter registration cards, 12-16% (3-4 million cards), especially if combined with identity verification that does not contain an address (such as a passport).

Bill C-76 also allows Canadian citizens who are not residents of Canada the ability to vote in Canadian elections, and to choose the constituency in which they would like to vote. Ordinarily citizens can only vote in the riding where they live, since they are voting for their representative in Parliament. Allowing non-resident Canadians a choice of where their vote will be counted may be unfair to residents whose constituency might even be part of a concerted effort by individuals or a political party to influence non-resident voters. Some other countries that allow non-resident citizens to vote have created specific individual seats to represent non-resident voters, but Bill C-76 does not.

Bill C-76 does not properly address foreign interference in our elections through spending or donating to Canadian proxies. During the last election and the months that immediately preceded it, millions of dollars were spent by activist organizations opposed to the previous

government, which was largely financed by foreign entities (for example, LeadNow, which is financed by the San Francisco based Tides Foundation).

The Act limits 3rd party advertising by activist organizations during elections and in the immediate run up to the election, but does not impose limits outside of those time periods. For example, under the new rules a registered 3rd party can spend a maximum of \$1 million across Canada and a \$10,000 maximum per constituency during the pre-writ period of June 30th in a scheduled election year to whenever the election writ is dropped. Foreign entities will not be able to donate to Canadian 3rd parties during that time; however, there is no limit on spending by 3rd parties before the June 30th start of the pre-writ period, and no limit on what foreign entities can contribute before then. 🍁

Scrutinizing Spending at the Public Accounts Committee



The House of Commons Standing Committee on Public Accounts (PACP) enjoyed a productive and collegial Fall Session, completing studies on a wide range of topics.

PACP’s main responsibility is to scrutinize government spending: to track dollars through the published Public Accounts, to consult with the Auditor General, and to evaluate the efficacy of departmental initiatives to ensure that taxpayers receive value for tax dollar expenditures. The last point involves reviewing and reporting on the Spring and Fall Reports of the Auditor General. Committee reports on the Auditor General’s findings become part of the public record and require the Government to take note of and respond to them. The Government will not necessarily implement all of the Committee’s recommendations, but it must respond to them. In

contrast, reports by Officers of Parliament such as the Auditor General and other 3rd parties are not required to receive the same degree of consideration and response.

Over the course of the Fall Session the Public Accounts committee studied the Auditor General’s reports, including:

- Replacing Montreal’s Champlain Bridge (federally-owned infrastructure);
- Consular Services to Canadians Abroad;
- Socio-Economic gaps on First Nations Reserves;
- Administration of Justice in the Canadian Armed Forces;
- Employment Training for Indigenous People;
- Disposing of Government Surplus Goods and Equipment;

Auditor General’s Report on CRA’s Compliance Activities

On November 20th, the Auditor General of Canada tabled his Fall 2018 reports, including Report 7 on Compliance Activities at the Canada Revenue Agency. He noted several troubling observations:

- “We found that the Canada Revenue Agency did not consistently apply tax rules when it audited or reviewed taxpayers’ files, even though the Taxpayer Bill of Rights includes the right to have the law applied consistently;”
- “Taxpayers in one region waited an average of 7 months longer than those in another region for the Agency to complete an audit;”
- “We also found that the additional revenue which the Agency reported as a result of compliance activities reflected taxes owed by taxpayers but did not reflect the taxes that it could not collect from taxpayers. This means that the impact of the government’s fiscal results was significantly less than what the Agency estimates;”
- “We also found that while the Agency proactively waived interest and penalties for some taxpayers, it did not do so for others—even when the Agency had caused the delays in processing the taxpayer’s file;”
- “We found that the Agency requested information from these taxpayers [individuals with Canadian employment income] more quickly and gave less time to respond, than it did with other taxpayers such as international and large businesses and taxpayers with offshore transactions. For example, if the Agency asked an individual to provide a receipt to support a claimed expense and the taxpayer did not provide the receipt within 90 days, the Agency would automatically disallow the expense as an eligible income tax deduction. . . . For other taxpayers, such as those with offshore transactions, we found that the time frame to provide information was sometimes extended for months or even years;”
- “The Agency told us that it did not consider proactively offering relief for some taxpayers because the Agency caused only infrequent delays and any resulting interest charged would be minimal. Yet we found that some taxpayers experienced delays of over 120 days during compliance activities

because of Agency information technology issues. These taxpayers were not proactively offered relief;”

- “We found that after the Agency completed its compliance activities, it did not always calculate and adjust taxes owing on a timely basis. For example, one region’s tax centre took an average of 41 weeks to process taxpayers’ requests for adjustments, whereas another region’s tax centre took an average of only 12 weeks;”



I questioned the Auditor General’s office extensively about these observations when it attended the Public Accounts Committee, and questioned the Minister of National Revenue about them at Finance Committee. The Minister attended Finance Committee for about 30 minutes and declined to provide clear answers to the questions posed. 🍁

Organ Donation: Bill C-316



With MP Len Webber following the 2nd reading vote on Bill C-316.

I had the pleasure to second Calgary Confederation MP Len Webber’s Private Member’s Bill C-316 on organ donation. Bill C-316 will allow taxpayers to register as organ donors by checking a box on the first page of their tax returns, thus providing another way to register and potentially save the life of one of the 4,500 Canadians awaiting a transplant.

The bill received support from all parties, was studied by the House of Commons Standing Committee on Health (HESA) and received First Reading in the Senate on December 13th. I also had the opportunity to attend HESA as Shadow Minister for National Revenue to question witnesses from the Canada Revenue Agency about the bill with a view to setting out the timeline and steps to have the registration box implemented for the 2020 tax filing season.

Canada has no national registry for organ donors. Since healthcare is under provincial jurisdiction, organ donation falls under a variety of different rules instead of one coordinated approach. We also have one of the lowest rates of organ donation in the developed world.

Very few Private Members’ Bills become law, but Bill C-316 proposed a specific, practical, and achievable way to increase organ donation registration to address a national problem. This allowed all parties to support it for the benefit of their own constituents and Canada as a whole.

I hope that it receives thorough and rapid consideration in the Senate. I also encourage the CRA to work with 3rd party tax filing software designers to include the organ donor registration option in a prominent and practical place for electronic filers and to make the necessary adjustments to the CRA’s systems to update taxpayer files accordingly. 🍁

SUPPORT

BILL C-316

so that Canadians can use tax forms to register as organ donors.

PAT KELLY, MP
Suite 202,
400 Crowfoot Crescent NW
Calgary AB T3G 5H6