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2011 Federal Budget: Baby steps for Canadian families

March 22, 2011, Ottawa--The Institute of Marriage and Family Canada stands in favour of tangible tax relief for Canadian families. The 2011 federal budget has recognized that Canada's aging demographic needs attention through the Family Care Tax Credit and the Medical Expense Tax Credit. While the Children's Arts Tax Credit mirrors the benefits of the Children's Fitness Tax Credit, the biggest challenge facing families today is finances. "The introduction of these tax credits are welcome, however, I believe that family income splitting would have been of even greater benefit to more families," says Executive Director Dave Quist.

Based on 2007 research done with Jack Mintz, one of Canada's leading tax experts, a two income family of four earning \$60,000 would pay \$4415 in federal taxes. A single income family of four earning \$60,000 would pay \$6043, a difference of 37%. Quist explained: "Family income splitting would address this inequity head on. Considering the current economic climate, families earning less than \$60,000 would greatly benefit from income splitting."

"The IMFC reiterates the need for continued broad based income tax relief for families, which could be achieved through family income splitting," said Quist. "Our research shows Canadian families find finances to be one of the most stressful aspects of family life."

"Many Canadians have faced uncertain finances over the past several years. Today's budget takes only small steps to assist. The IMFC remains committed to advocating for family income splitting to assist all families," closed Quist.

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