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All families aren't treated as equal

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For the past five years, the Institute of Marriage and Family Canada has been researching and advocating family income splitting. Under the current tax system, single-earner families pay disproportionately higher taxes than their dual-income counterparts. Family income splitting rectifies this inequity, by allowing a couple to share their incomes and lower their tax rate.

While that may sound pretty benign, to some it is threatening. In a recent Citizen opinion piece ("An oldie and a baddie," April 2), Kathleen Lahey, tax professor at Queen's University, expressed several concerns, notably that family income splitting was a "drive to turn Canada's individual income tax system into a couple-based system." The reality is that most of us come from families, most of us support families and would like to fight inequities that exist between families.

In a paper written for the IMFC by Jack Mintz, Canada's leading tax authority, we compared two families, both with two children and each with a household income of \$70,000 annually. They may even live next door to each other. According to 2007 calculations, the single-earner family paid \$3,801 more in taxes. That's \$316 per month, a substantial amount, that could help with paying bills, rent, registering for hockey or music lessons, saving for post-secondary education or any number of other family expenses.

Lahey, and others, have said that the benefits of family income splitting will only be realized by high-income families. While the savings will vary according to the household income, the average Canadian family will benefit under this proposal. Statistics Canada reports that the average total income, for all family units in 2007, was \$68,800 - in line with our calculations.

Banks want to know what your family income is if you are applying for a mortgage or a car loan, and Statistics Canada tracks family income groups. So why don't we tax families in a similar manner? Should it be so unfair for families to keep more of their hard-earned money in their pockets and use it to make financial decisions that uniquely benefit their family?

Financial and taxation policies have programs that have been introduced for other demographic groups as well. The introduction of pension splitting for seniors was a positive move. Introducing the Tax Free Savings Account to encourage people to

save will pay great dividends over the long term. The Registered Disability Savings Plan will greatly assist parents and families to prepare financially for the long-term needs of their disabled children. Each of these moves is supportive of families.

In other IMFC research, (and not surprisingly) family finances is the No. 1 challenge for all family stages -whether you're just beginning your relationship or you are empty nesters looking at retirement. Viewing family taxation through feminist glasses will not change the facts. There is an inequity regarding the amount of taxes that some families are paying. Thankfully, this proposed policy recognizes this and is taking steps to address it.

Are there other family taxation options? Absolutely. There are several different alternatives for consideration. Recognizing all family members, including children, as a part of a weighted taxation plan is one worthy of further consideration, and one that would further support single-parent families.

Over the past several years, many low-income families have already been eliminated from the tax rolls.

We need to recognize the importance of family in today's society. Taking significant steps forward to support Canadian families and leaving them to decide how to best meet their needs is a clear and positive way to proceed. As has been shown countless times, in multiple jurisdictions, individuals and families will make better decisions with their own money, rather than government.

This policy is really all about choice. We can continue to penalize stay-at-home parents as Lahey advocates, or we can recognize the inequities under the current tax policy and take steps to resolve it. I believe that the vast majority of Canadian families will join with me in looking forward to family income splitting.

A family taxation system is a positive step forward for all Canadians.

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