

# When is \$500 not \$500? <sup>[1]</sup>

Caledon Summary

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## AVAILABILITY

Full document in PDF <sup>[2]</sup>

## Abstract:

In this commentary, the Ken Battle and Sherri Torjman point out that tax credits are often worth less than they appear. In fact, most tax credits are designed as 'non-refundable credits.' This design means that recipients of these tax benefits do not receive any direct cash payment. Rather they obtain their benefit in the form of an income tax reduction when they file their taxes. Non-refundable credits are also of limited value to households with low or no income and do little to alleviate poverty.

**Region:** Canada <sup>[3]</sup>

**Tags:** budget <sup>[4]</sup>

funding <sup>[5]</sup>

federal programs <sup>[6]</sup>

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[1] <https://childcarecanada.org/documents/research-policy-practice/11/06/when-500-not-500> <sup>[2]</sup>

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