

Harper announces 'Family Tax Cut' (income splitting) and increases to the UCCB and Child Care Expense Deduction ^[1]

Author: various

Source: various

Format: government document

Publication Date: 5 Nov 2014

Supporting Canadian families ^[2], Prime Minister of Canada Stephen Harper, Oct 30, 2014

The Family Tax Cut

The proposed Family Tax Cut will take the form of a federal non-refundable tax credit that will allow the higher-income spouse to transfer up to \$50,000 of taxable income to a spouse in a lower income tax bracket, up to a maximum benefit of \$2,000. Tax relief is calculated on the basis of a difference in federal tax before and after the transfer of income.

Universal Child Care Benefit

In 2006, the Government introduced the Universal Child Care Benefit (UCCB), which provides all families with \$100 per month for each child under the age of six. The UCCB currently provides direct federal support to approximately 1.7 million families with young children.

The Government is proposing to enhance the UCCB by providing \$160 per month. In a year, parents will receive up to \$1,920 per year for each child under the age of six. The Government is also introducing a new benefit of up to \$720 per year for children age six through 17.

Enhanced payments for the UCCB will take effect as of January 2015 and will begin to be reflected in monthly payments to recipients in July 2015. This measure is expected to cost the federal government approximately \$1.1 billion in 2014-15 and \$4.4 billion in 2015-16. Approximately four million families are expected to benefit from the enhancements under the UCCB.

The enhanced UCCB will replace the existing Child Tax Credit for the 2015 and subsequent taxation years. The enhanced UCCB combined with the repeal of the Child Tax Credit is expected to cost the federal government approximately \$700 million in 2014-15 and \$2.6 billion in 2015-16.

The Child Care Expense Deduction

The Government will increase the dollar limits of the CCED by \$1,000 - i.e., to \$8,000 from \$7,000 per child under age seven, to \$5,000 from \$4,000 for each child aged seven through 16 (and for infirm

children over age 16), and to \$11,000 from \$10,000 for children who are eligible for the Disability Tax Credit.

Before this announcement the CRRU collected a number of articles and reports about income splitting at different points in time. These collections can be found [here](#) [3] and [here](#) [4]

Other related news and analysis:

Getting less bang for the child care buck - all \$6.8 billion of them [5]

Childcare Resource and Research Unit, Oct 15, 2014

Family tax cuts: How inclusive a family? [6]

Caledon Institute of Social Policy, Nov 4, 2014

For the Conservatives, only wealthy families matter, but for the rest of Canada, income inequality continues to grow [7]

NUPGE, Oct 31, 2014

The Conservatives propose family policy for a bygone age [8]

Broadbent Institute, Oct 31, 14

Income splitting and the UCCB: Halloween comes early with Frankenstein's monster of a family policy [9]

Child Care Advocacy Association of Canada, Oct 30, 2014

Our kids, our future and two competing visions for voters: Tim Harper [10]

Toronto Star, Nov 2, 2014

Stephen Harper wants you to get married: Mallick [11]

Toronto Star, Nov 4, 2014

Harper's income splitting tax only benefits the already rich [12]

Huffington Post, Nov 4, 2014

Split decision [13]

Rick's Rant, Mar 26, 2014

[watch the video](#) [14]

Region: Canada [15]

Tags: taxation [16]

federal benefits [17]

Source URL (modified on 27 Jan 2022): <https://childcarecanada.org/documents/research-policy-practice/14/11/harper-announces-family-tax-cut-income-splitting-and>

Links

[1] <https://childcarecanada.org/documents/research-policy-practice/14/11/harper-announces-family-tax-cut-income-splitting-and> [2] <http://pm.gc.ca/eng/news/2014/10/30/supporting-canadian-families> [3] <https://www.childcarecanada.org/documents/research-policy-practice/11/04/income-splitting-proposal-2011-federal-election> [4] <https://www.childcarecanada.org/documents/research-policy-practice/14/02/harper-government-and-income-splitting-selected-news-and-an> [5] <https://www.childcarecanada.org/sites/default/files/GettinglessbangforthechildcarebuckBN.pdf> [6] <http://www.caledoninst.org/Publications/PDF/1055ENG.pdf/> [7] <https://nupge.ca/content/conservatives-only-wealthy-families-matter-rest-canada-income-inequality-continues-grow> [8] <https://www.broadbentinstitute.ca/en/blog/conservatives-propose-family-policy-bygone-age> [9] <http://myemail.constantcontact.com/Income-splitting-and-the-UCCB--Halloween-comes-early-with-Frankenstein-s-monster-of-a-family-policy-.html?soid=1102506130457&aid=mCdd2fhGrLc> [10] https://www.thestar.com/news/canada/2014/11/02/our_kids_our_future_and_two_competing_visions_for_voters_tim_harper.html [11] https://www.thestar.com/opinion/commentary/2014/11/04/stephen_harper_wants_you_to_get_married_mallick.html [12] https://www.huffingtonpost.ca/dennis-howlett/income-splitting_b_6101032.html [13] <http://www.rickmercer.com/Rick-s-Rant/Blog/March-2014/Split-Decision.aspx> [14] <https://www.youtube.com/watch?v=3G-WBFF52-A> [15] <https://childcarecanada.org/taxonomy/term/7864> [16] <https://childcarecanada.org/category/tags/taxation> [17] <https://childcarecanada.org/category/tags/federal-benefits>