

Non-taxation of allowances for members of legislative assemblies and certain municipal officers

	Value
Description	Elected members of provincial and territorial legislative assemblies and of incorporated municipalities, elected officers of municipal utilities boards, commissions, corporations, or similar bodies, and members of public or separate school boards may receive allowances for expenses incident to the discharge of their duties. Such allowances are not included in income so long as they do not exceed half of the salary or other remuneration received in that capacity in the year.
Tax	Personal income tax
Beneficiaries	Members of provincial and territorial legislative assemblies and of incorporated municipalities; elected officers of municipal utilities boards, commissions, corporations, or similar bodies; and members of public or separate school boards
Type of measure	Exemption
Legal reference	<i>Income Tax Act</i> , subsections 81(2) and (3)
Implementation and recent history	<ul style="list-style-type: none"> The exemptions for members of provincial and territorial legislative assemblies and for other municipal officers were introduced in 1947 and 1949 respectively.
Objective – category	To recognize expenses incurred to earn employment income
Objective	This measure recognizes the additional costs incurred by members of legislative assemblies and certain municipal officers in the course of their duties.
Category	Structural tax measure
Reason why this measure is not part of benchmark tax system	This measure exempts from tax income or gains that are included in a comprehensive income tax base.
Subject	Employment
CCOFOG 2014 code	70412 - Economic affairs - General economic, commercial, and labor affairs - General labor affairs
Other relevant government programs	Programs within the mandate of Employment and Social Development Canada also support employment. Additional information on the relevant Government programs is provided in the table at the end of Part 3.
Source of data	T1 Income Tax and Benefit Return and T4 Statement of Remuneration Paid
Estimation method	Allowances reported on T4 slips are matched against T1 returns and incremental tax is calculated on the basis of the individual's taxable income with and without the allowance.
Projection method	The cost of this measure is projected to grow in line with allowances.
Number of beneficiaries	About 28,000 individuals received non-taxable allowances in 2014.

Cost Information:

Millions of dollars	2011	2012	2013	2014	2015 (P)	2016 (P)	2017 (P)	2018 (P)
Personal income tax	15	15	15	20	20	20	20	25