



January 8, 2018

Honourable Diane Lebouthillier
Minister of National Revenue Canada
555 MacKenzie Avenue
Ottawa, ON K1A 0L5

Dear Minister Lebouthillier:

Each year at our annual Convention, AUMA members discuss and vote on proposed resolutions related to matters that impact municipalities, but require action by other orders of government. Enclosed for your response is the 2017 resolution that pertains to your ministry:

- AUMA Resolution 2017.E1 - Tax Exemption for Municipal Elected Officials.

We look forward to your response to this resolution.

If you wish to review the resolutions pertaining to other ministries, they can be found on our website at: <https://auma.ca/advocacy-services/resolutions/resolutions-library>.

Sincerely,

Barry Morishita
AUMA President

Enclosure

WHEREAS the 2017 Federal Budget removed the tax exemption for one third of non-accountable expense allowances paid to members of provincial and territorial legislative assemblies and certain municipal office holders effective January 1st 2019;

WHEREAS the federal government did not hold consultations on this matter prior to the budget;

WHEREAS the appreciation shown for serving the public from the federal government to elected officials has been removed;

WHEREAS the removal of this exemption will create less take home pay for elected officials; and

WHEREAS each community will need to increase the respective Councillor pay and make up the shortfall from the community tax base.

IT IS THEREFORE RESOLVED THAT the Alberta Urban Municipalities Association advocate for the Federal Government to provide a minimum tax exemption for elected officials as an acknowledgement and appreciation for the public service being provided.

BACKGROUND:

Currently municipal elected officials receive a tax exemption for one third of their non-accountable expense allowances related to the community work they perform under their role. This exemption was originally given by the federal government as an acknowledgement to individuals who contribute to building communities. This is/was appreciated.

Without prior consultation, the federal 2017 Budget removed this exemption/gratitude effective the 2019 taxation year.

This appreciation needs to remain intact. As an example, this could be similar to the federal emergency personnel exemption, removes income tax on the first \$1,000 of income earned by volunteer ambulance technicians, fire fighters, search and rescue, or other types of emergency volunteers.

The Federation of Canadian Municipalities recently adopted a similar resolution.