



Factum

Canadians Split on Whether They Support (56%) or Oppose (44%) Trudeau Government's Proposed Tax Changes for Small Businesses

While Most (67%) Believe Proposed Changes are Fairer, Six in Ten (58%) Acknowledge Changes Reduce Incentive for Professionals to Stay in Canada

Toronto, Ontario, September 16, 2017 — Canadians are split on whether they 'support' (56% — 9% strongly/47% somewhat) the Trudeau government's proposed tax changes for small businesses or 'oppose' (44% — 11% strongly/32% somewhat) them, according to a new Ipsos poll conducted on behalf of Global News.

The Trudeau Government has announced a series of tax changes aimed at small-business owners who, when following the current rules, can incorporate their small business to pay less tax than they otherwise would if they weren't incorporated. The changes aim to reduce the ability of small businesses, including doctors and other professionals, to reduce the amount of tax they pay. Support for the tax reform is greatest in British Columbia (68%), followed by Saskatchewan and Manitoba (57%), Ontario (56%), Quebec (56%), Atlantic Canada (54%), and, finally, Alberta (46%) where only a minority agrees with the changes.

The fact that so many Canadians *somewhat* support or *somewhat* oppose the changes, rather than feeling strongly about it either way, suggests that Canadians are still working through how they feel about the proposed reforms, given the complexity of the details. In fact, just 8% of the population say they've been following the issue very closely. Three in ten (29%) say they've been following the issue but don't know all the details, while four in ten (39%) have heard of it but aren't following the story. For one in four (24%) Canadians, this poll was the first they've heard of the proposed tax changes. Those more aware of the issue are more likely to strongly oppose and strongly support the reform.

Underscoring the divisive nature of the issue, Canadians appear to agree with arguments on both sides of the equation. More specifically:

- Two in three (67%) 'agree' (16% strongly/51% somewhat) that the changes 'will make the tax system fairer and ensure the highest-income Canadians pay their fair share'. One in three (33%) 'disagrees' (9% strongly/24% somewhat) with this position.
- Six in ten (58%) 'agree' (16% strongly/43% somewhat) that the proposal is 'going to reduce the incentive for small businesses and professionals like doctors to operate in Canada'. Four in ten (42%) 'disagree' (6% strongly/36% somewhat) that the revisions would act as a disincentive.

While the Government has maintained that the changes are driven by a desire to make the tax code fairer, 55% of Canadians are more skeptical of the motives, 'agreeing' (21% strongly/35% somewhat) that 'the real reason for the tax changes is because the Trudeau government's spending is out of control and they need more money'. Nearly half (45%) of Canadians 'disagree' (13% strongly/32% somewhat) that this is the real motive for the reform.

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Giving the government the benefit of the doubt on what is a complex issue, half (48%) of Canadians 'agree' (7% strongly/41% somewhat) that they 'don't really understand the proposed tax changes', but that they 'trust the Trudeau government to do the right thing for the country'. The other half (52%) 'disagree' (17% strongly/35% somewhat) that they're so deferential on the issue.

Despite the divisiveness of the issue, it doesn't appear to be hurting the Trudeau government's approval rating. Six in ten (59%) continue to 'approve' (12% strongly/47% somewhat) of the performance of the Liberal government under Justin Trudeau, down just 1 point since the question was last asked in July following the Khadr settlement. Conversely, four in ten (41%) Canadians 'disapprove' (19% strongly/22% somewhat) of the government's performance. Approval ratings are very high in Atlantic Canada (78%), but still strong in Ontario (62%), British Columbia (60%) and Quebec (57%). Those in Saskatchewan and Manitoba (51%) and Alberta (44%) are less enthusiastic.

These are some of the findings of an Ipsos poll conducted between September 11 and 14, 2017, on behalf of Global News. For this survey, a sample of 1,001 Canadians aged 18+ from Ipsos' online panel was interviewed online. Weighting was then employed to balance demographics to ensure that the sample's composition reflects that of the adult population according to Census data and to provide results intended to approximate the sample universe. The precision of Ipsos online polls is measured using a credibility interval. In this case, the poll is accurate to within ± 3.5 percentage points, 19 times out of 20, had all Canadian adults been polled. The credibility interval will be wider among subsets of the population. All sample surveys and polls may be subject to other sources of error, including, but not limited to coverage error, and measurement error.

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