

CANADIANS WEIGH IN ON POTENTIAL INCOME TRUST TAXES

Most (66%) Feel New Taxes On Income Trusts Are “Bad Idea”



Ipsos Reid

Public Release Date: - Monday, November 17th, 2005 – 11:00 a.m. (EST)

Ipsos Reid is Canada's market intelligence leader and the country's leading provider of public opinion research. With operations in eight cities, Ipsos Reid employs more than 300 researcher professionals and support staff in Canada. The company has the biggest network of telephone call centres in Canada, as well as the largest pre-recruited household and on-line panels. Ipsos Reid's

Canadian marketing research and public affairs practices are staffed with seasoned research consultants with extensive industry-specific backgrounds, offering the premier suite of research vehicles in Canada—including the Ipsos Trend Report, the leading source of public opinion in the country—all of which provide clients with actionable and relevant information. Ipsos Reid is an Ipsos company, a leading global survey-based market research group. To learn more, visit

www.ipsos.ca

For copies of other news releases, please visit

<http://www.ipsos-na.com/news/>

© Ipsos Reid

*Washington • New York • Chicago • Minneapolis • Seattle • San Francisco
Vancouver • Edmonton • Calgary • Winnipeg • Toronto • Ottawa • Montreal*



CANADIANS WEIGH IN ON POTENTIAL INCOME TRUST TAXES

Most (66%) Feel New Taxes On Income Trusts Are “Bad Idea”

Toronto, ON – According to a new national Ipsos Reid survey conducted on behalf of the Canadian Association of Income Funds, a strong majority of Canadians (66%) are of the opinion new taxes on income trusts are a bad idea as the government is unfairly changing the rules on investors, including retirees and pensioners, who made investment decisions based on the previous rules. Seventeen percent, however, believe it is a “good idea”.

When asked to evaluate what they feel has caused the recent significant drop in the value of income trust investments, 33% of Canadians say they believe this drop “was caused mostly by statements from the Minister of Finance about the changing tax treatment of income trusts”. But, just under half (46%) feel this drop has been driven mostly by regular economic forces. Of those Canadians who live in households which own trust units, 44% believe that the Minister of Finance’s statements were primarily to blame for the drop in unit values.

One-quarter (23%) of Canadians answered “yes” to the question as to whether anyone in their household owned trust units. Seventy-three percent answered “no” to the same question.

These are the findings of an Ipsos Reid/Canadian Association of Income Trusts poll conducted from November 8th to November 10th, 2005. For the survey, a representative randomly selected sample of 1000 adult Canadians was interviewed by telephone. With a sample of this size, the results are considered accurate to within ± 3.1 percentage points, 19 times out of 20, of what they would have been had the entire adult Canadian population been polled. The margin of error will be larger within regions and for other sub-groupings of the survey population. These data were weighted to ensure the sample’s regional and age/sex composition reflects that of the actual Canadian population according to the 2001 Census data.

Two-Thirds (66%) Feel New Taxes On Income Trusts Are “Bad Idea”...

Knowing that the federal government is thinking about new taxes on income trusts, the majority (66%) of Canadians feel that these new taxes would be a “bad idea because the government is unfairly changing the rules on investors, including retirees and pensioners, who made investment decisions based on the previous rules”. Of the opposite opinion, are the 17% who believe “this is a good idea because the government claims it may be losing tax revenues from income trusts”. One in five (17%) “don’t” know which opinion is closer to their own.

Those most likely to believe that these new taxes are a “bad idea”:

- Residents of Alberta and Saskatchewan/Manitoba (both at 72%), and British Columbia (69%);
- Those who say their household owns income trust investments (79% vs. 62% among those who say they don’t).

Meanwhile, those most likely to feel that these potential new tax measures are a “good idea” are:

- Residents of Quebec (23%); and
- Men (21% vs. 13% among women).

One-Third (33%) Feel The Recent Drop In Income Trust Investments Has Been Caused Mostly By Tax Suggestions Made By Minister Of Finance...

When asked to evaluate what they feel has caused the recent significant drop in the value of income trust investments, 33% of Canadians say they believe this drop “was caused mostly by statements from the Minister of Finance about the changing tax treatment of income



trusts". But, just under half (46%) feel this drop has been driven mostly by regular economic forces.

A further one in five (21%) say they "don't know" what has caused this drop in value.

- Residents of Alberta (42%), British Columbia (38%), Saskatchewan/Manitoba (37%) and Ontario (35%) are the most apt to believe this drop in value has been caused by statements from the Minister of Finance.
- Those whose say their household owns an income trust investment are significantly more likely than those who say the do not to believe the drop in value is related to the Minister's comments (44% vs. 31%).
- Residents of Quebec (62%) are by far the most likely to believe this drop in value is reflective mostly of regular economic forces.

One-Quarter (23%) Say Their Households Owns An Income Trust Investment...

One-quarter (23%) of Canadians believe that they or someone in their household owns an income trust investment – a strong majority (73%) say they do not.

- As household income level rises among Canadians propensity for the household to own income trust investments also rises (11% among those with less than \$30,000, 22% among those with \$30,000 to less than \$60,000, and 30% among those with \$60,000 or more).

-30-

For more information on this news release, please contact:

***Dr. Darrell Bricker
Ipsos Reid
Public Affairs
(416) 324-2900***

For full tabular results, please visit our website at www.ipsos.ca. News Releases are available at: <http://www.ipsos-na.com/news/>

© Ipsos Reid

- 3 -

***Washington • New York • Chicago • Minneapolis • Seattle • San Francisco
Vancouver • Edmonton • Calgary • Winnipeg • Toronto • Ottawa • Montreal***