

# 4 MILLION CANADIANS NEGATIVELY AFFECTED BY INCOME TRUST DECISION

*Canadians Split About Income Trust Tax Changes – Half Say  
Election Promise Flip-Flop Is “Justified” (45%), Half Say “Not  
Justified” (55%)*



**Ipsos Reid**

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## 4 MILLION CANADIANS NEGATIVELY AFFECTED BY INCOME TRUST DECISION

*Canadians Split About Income Trust Tax Changes – Half Say Election Promise Flip-Flop Is “Justified” (45%), Half Say “Not Justified” (55%)*

**Toronto, ON** – A new Ipsos Reid survey reports that 21% of Canadians feel the federal government’s announced changes to the way that Income Trusts will be taxed will have an impact on their personal financial situation – the majority say it will not (79%). And, among those who feel their finances will be impacted, a strong majority of eight in ten (82%) believe the impact of these changes will be “negative”. Thus, overall, 17% of all adult Canadians (roughly 4 million people) indicate that the income trust decision will negatively affect their finances.

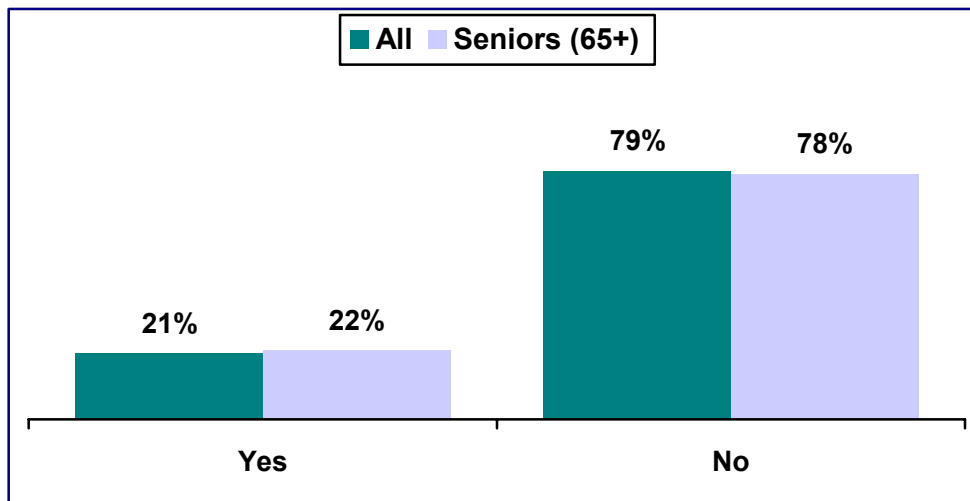
With the prompting in mind that the “Harper Conservatives promised in the last Federal election that they would not change the tax rules for Income Trusts”:

- 55% are of the opinion that “the reasons that have been given do not justify breaking a campaign promise; while
- 45% are of the opinion that “the Harper Conservatives are justified in breaking this promise because recent announcements by Canadian corporations had significantly changed the issue and they had to move quickly to protect the interests of the individual Canadian taxpayer”.

*These are the findings of an Ipsos Reid poll conducted for CanWest News Service/Global News and fielded from November 3<sup>rd</sup> to 6<sup>th</sup>, 2006. For this survey, a representative randomly selected sample of 1613 adult Canadians were interviewed via an online survey vehicle. With a sample of this size, the aggregate results are considered accurate to within  $\pm 2.5$  percentage points, 19 times out of 20, of what they would have been had this entire adult population been polled. The margin of error will be larger within each sub-grouping 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 Census data.*

## Twenty-one Percent Indicate Income Trust Changes Will Impact Their Personal Financial Situation...

As you may know, earlier this week the Federal government announced changes to the way that Income Trusts will be taxed in Canada. To the best of your knowledge, will this have any impact on your personal financial situation?



- Those most likely to be impacted by the changes are residents of Alberta (26%), followed by those in Ontario (23%), and Atlantic Canada (22%), British Columbia (21%), Quebec (20%), and Saskatchewan/Manitoba (12%).
- Those with higher levels of education (University graduates, 31%) are the most likely to be personally financially impacted by the changes (vs. 19% among those with a less than a University level education).
- Those with higher levels of household income are the most likely to say their personal finances will be impacted by the changes (26% among those with household income of \$60,000 or more vs. 19% among those with incomes of less than \$60,000).

## ***Among Those Impacted By Income Trust Changes: 82% Say Such Changes Will Be Negative...***

Among those who say the Income Trust changes will impact their personal finances, a very strong majority of eight in ten (82%) say that it will do so in a “negative” way – just 18% say these changes will impact their personal finances in a “positive” way.

## ***But, In The End, Country Is Essentially Split About Whether Changes Were Justified (45%) Or Unjustified (55%)...***

With the prompting in mind that the “Harper Conservatives promised in the last Federal election that they would not change the tax rules for Income Trusts”:

- 55% are of the opinion that “the reasons that have been given do not justify breaking a campaign promise; while
- 45% are of the opinion that “the Harper Conservatives are justified in breaking this promise because recent announcements by Canadian corporations had significantly changed the issue and they had to move quickly to protect the interests of the individual Canadian taxpayer”.

### Demographics:

- Those age 55 and over are the most likely to believe the changes were justified (59% vs. 39% among those under age 55).
- Those in Alberta (57%) are the most likely to feel these changes were justified, followed by those in Saskatchewan/Manitoba (49%), and Quebec (46%).
- Those with higher levels of household income are the most likely to feel these measures were justified (50% among those with household incomes of \$60,000 or more vs. 42% among those with less than \$60,000 in income).



- Those with a university degree (54%) are the most likely to support the changes vs. 39% among those with less than a university degree.

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