

Faith, hope, charity, but not much of a tax credit

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Most ethical systems place a high value on charitable behavior. In Christian thought, the word “charity” often relates to giving, caring, and love, for those in need of help. In biblical terms, some versions of the Christian bible state as follows: “And now abideth these three, faith, hope and charity, but the greatest of these is charity.” (I Corinthians 12-13). It may seem unusual for a secular humanist to quote scripture, but in this case, humanists and many people of non-Christian persuasions would agree, that when it comes to the importance of faith, hope and charity, that charity is the best measure of ethical behavior.

In Canada, there are many thousands of non-governmental organizations (NGO’s) representing various needs and interests. Approximately 60,000 such organizations have charitable status granted by Canada Revenue Agency (CRA). Typically, NGO leaders try to influence government policies in the direction of the interests and objectives of their particular organizations. Those organizations with official charity status have been judged by CRA to provide competent worthwhile services to Canadians.

Over the past fifty years, democratic systems of government have slowly shifted their emphases towards assisting corporate interests. Politicians have come to serve the interests of business and commerce, and often, politicians are chosen from among those who understand and affiliate with corporate interests. Charities serve different interests, but charities are also a welcome component which serves the aims of politicians during their pre-election campaigns. When charities are given government approval, politicians benefit from the ethical spin-off of work that charities perform.

Most charities do the best they can, given the limited financing they can raise from citizens’ donations. There are charities that provide relief to the poor, to

those without jobs, the hungry, and the homeless. Usually, there are many unfortunate others who do not receive government assistance even though they may have sought such help. When they can, charities offer assistance to this group of needy people who otherwise would not receive help.

Those of us old enough to remember the tax policies of years ago will know that they work differently from today. When a donor gave a gift of \$100 to charity, the government allowed a deduction of the full value of \$100 from their total income. In other words, donors paid no tax on their donation. Today, Revenue Canada Agency includes the \$100 as part of the donor's total income allowing approximately \$15 exempted from one's total tax bill (depending upon one's income bracket).

Governments are delighted when charities take on the roles that members of parliament would otherwise be expected to do. Without charities, Canadians would not be able to survive hardships of lack of food, inadequate housing, or lack of assistance in getting through difficult financial times. When charities help with the needs of Canadians, citizens are happier about their lives. They are more satisfied with government as it now stands. So, politicians are willing to give some indirect minimal financial reward to contributors to charity by offering tax relief to those generous enough to donate to charities.

Let's compare this tax relief with that offered to those who contribute to political parties. These are the parties who sponsor most members of parliament, with the exception of a few independent members. Political parties are not charities, nor are they noted for their charitable intentions. They exist to provide cohesion, co-operation, promotion, and direction of the political programs to which they subscribe.

Those who are members and supporters of political parties are treated much more generously when they donate to their favorite political party than when they donate to charities. Instead of approximately 15% for charities, political party tax concessions start at 75% or less, depending on the size of the contribution. (It would be fair to point out that the percentage of the tax credit goes up the more

the donor gives to charity and goes down the more a donor gives to a political party, but still favours the donor of a political party).

Let me state that I am not recommending that donators to charity should lessen their donations so that the burden would go back to government organizations and to the legislature. I admire the work of charities that are properly run and ethically supervised. I would like to see more generous tax concessions offered to charity donors so that donors can receive the same type of tax support as that given by Canada Revenue Agency to political party donors.