



# Your Tax Dollar

Here's a quick overview of where your Tax Dollar went—and how it was raised—in the Fiscal year ended March 31, 2012



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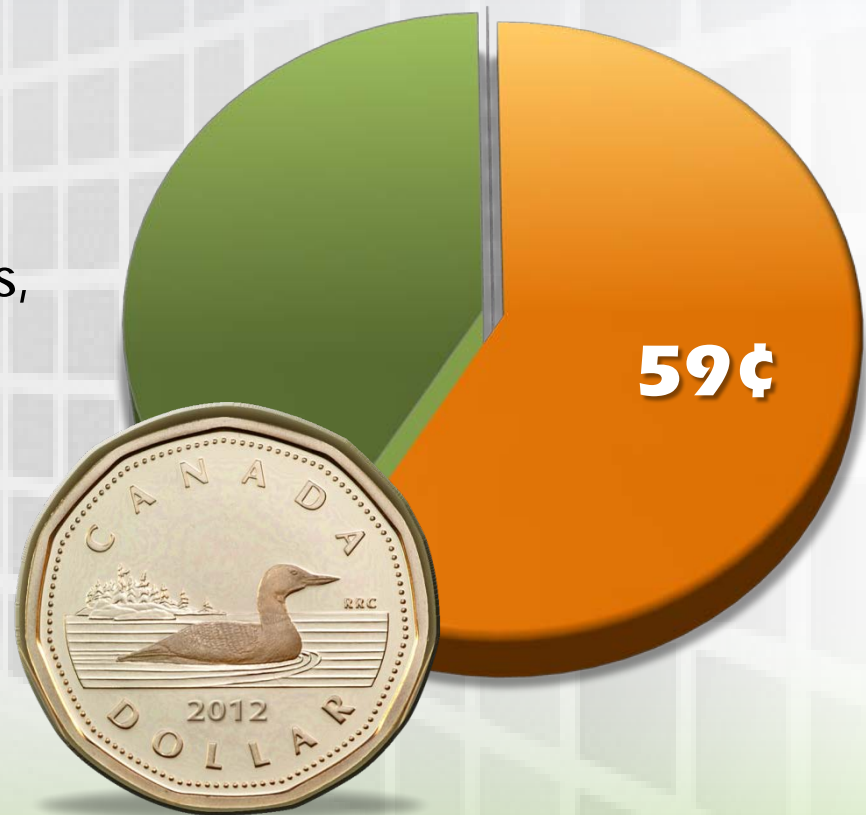
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# Transfer payments

During 2011-12, the federal government had expenses totaling \$271.4 billion.

Payments that go directly to persons, to provincial and territorial governments, and to other organizations are called "transfers."

Transfers are the largest category of government spending. They made up about **59 cents** of each tax dollar spent (\$159.7 billion).



Summary

# Transfers to persons

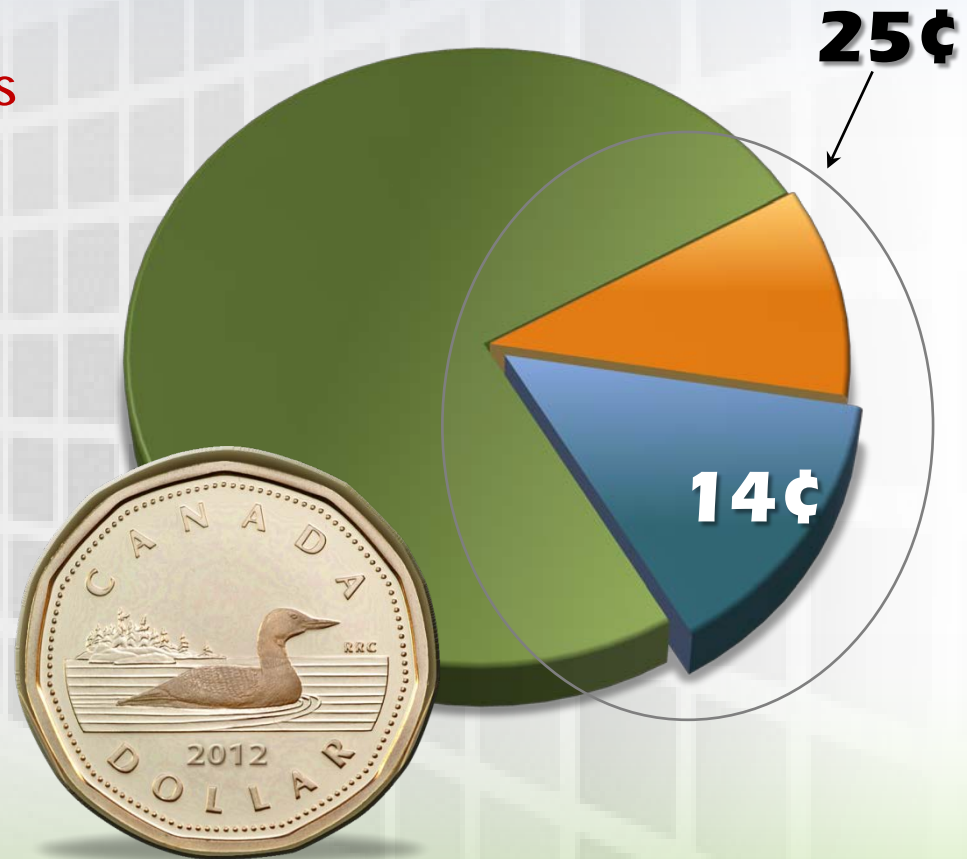
Major transfers to persons cost **25 cents** of each tax dollar spent (\$68.4 billion).

The biggest category within Transfers to Persons was elderly benefits.

These transfers include:

- Old Age Security
- Guaranteed Income Supplement
- Allowance for Spouses

Total elderly benefits cost \$38.0 billion, or **14 cents** of each tax dollar spent.



Summary

# Transfers to persons

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Another major transfer to persons is Employment Insurance (EI) benefits. Altogether, EI benefits cost over **6 cents** of every tax dollar spent (\$17.6 billion).

For information on EI premiums, see the section entitled "Where the money comes from."



Summary



# Transfers to persons

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The final category of Transfers to Persons is Children's Benefits. Canada provided \$12.7 billion to help families raise their children through the Canada Child Tax Benefit and the Universal Child Care Benefit. These payments cost almost **5 cents** of every tax dollar spent.



Summary

# Transfers to persons: **Families and children**

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Canada also provides assistance to low- and modest-income families—especially those with children—through the Goods and Services Tax (GST) credit (\$3.9 billion).



Summary

# Transfers to provincial and territorial governments

Major transfers to other levels of government totaled \$56.8 billion, or **21 cents** of each tax dollar spent. These transfers help fund health care, post-secondary education and other programs for Canadians.



Summary



# Transfers to provincial and territorial governments

The Canada Health Transfer provided \$27.2 billion for health programs, representing **10 cents** of each tax dollar spent.

The Canada Social Transfer provided \$11.5 billion for post-secondary education, social programs and programs for children, representing over **4 cents** of each tax dollar spent.



Summary

# Transfers to provincial and territorial governments

Other major transfers, including the Equalization and Territorial Formula Financing programs and the gas tax transfers to cities and communities, totaled roughly **7 cents** of every tax dollar (\$18.1 billion).

The Equalization and Territorial Formula Financing programs help less prosperous provinces and territories provide services that are reasonably comparable at reasonably comparable levels of taxation. Gas tax transfers help Canada's cities and communities provide municipal infrastructure.



Summary

# Transfers to provincial and territorial governments: Health care

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Federal support for health care goes beyond cash payments under the Canada Health Transfer and the Equalization and Territories Financing Formula programs.

In 1977, provinces assumed a share of federal taxes to supplement direct cash transfers. In 2011–12, these “tax points” added some \$22.1 billion to provincial finances for programs such as health care, post-secondary education, social assistance and social services.



Summary

# Transfers to provincial and territorial governments: Health care

In addition, the Government of Canada provided about \$6 billion last year for:

First Nations health services

Health care for veterans

Programs for public health

Health research



Summary

# Other transfer payments

Last year, spending on federal grants, contributions and subsidies added up to \$34.5 billion, close to 13 cents of each tax dollar spent. This included approximately:

- \$7.7 billion in transfers for First Nations and Aboriginal peoples
- \$1.7 billion in assistance to farmers and other food producers;
- \$4.9 billion in foreign aid and other international assistance;
- \$7.5 billion in support for research and development, infrastructure, regional development and assistance to businesses.



Other funding went to student assistance programs, health research and promotion, the arts, amateur sports, and multiculturalism and bilingualism.

Summary



# Other program expenses

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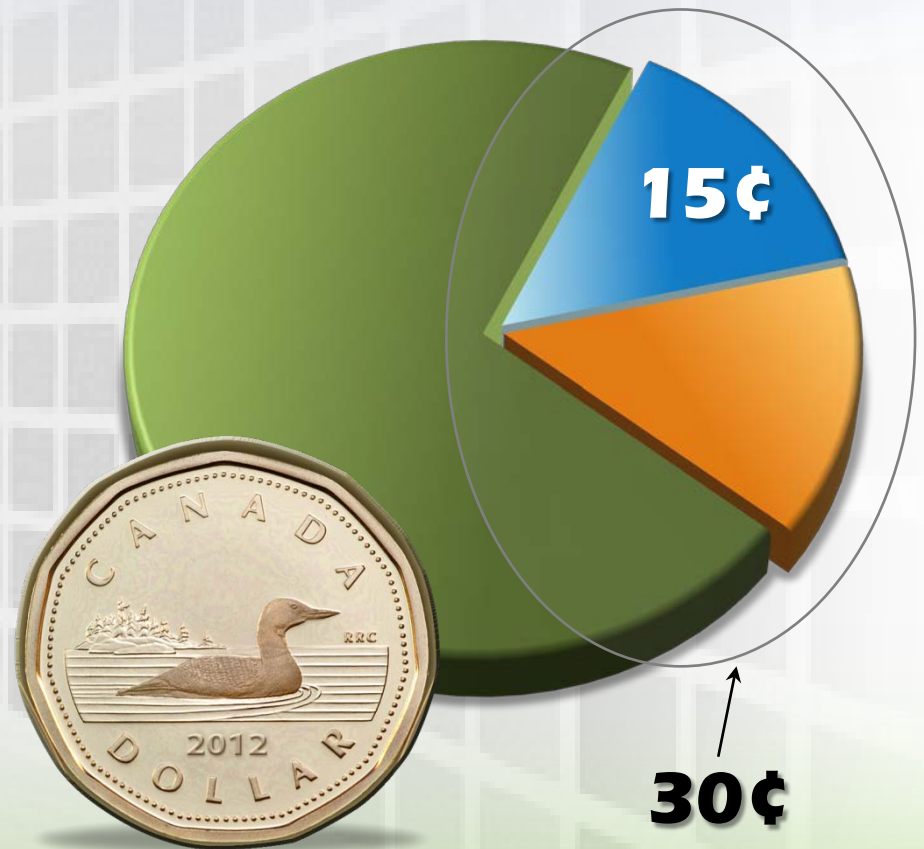
After transfers, the bulk of federal tax dollars went to cover the operating costs of the more than 130 government departments, agencies, Crown corporations and other federal bodies that provide programs and services for Canadians.



Summary

# Other program expenses

Government operating expenses such as salaries and benefits, facilities and equipment, and supplies and travel made up **30 cents** of each tax dollar spent (\$80.7 billion). Close to half of this spending—just under **15 cents** of each tax dollar—went to just three organizations: National Defence, Public Safety Canada and the Canada Revenue Agency.



Summary

# Defence

First, spending last year by National Defence on Canada's military forces made up **8 cents** of each tax dollar spent (\$22.8 billion).



Summary

# Public safety

Next, operating costs of Public Safety and Emergency Preparedness represented close to **4 cents** of each tax dollar spent (\$9.4 billion).

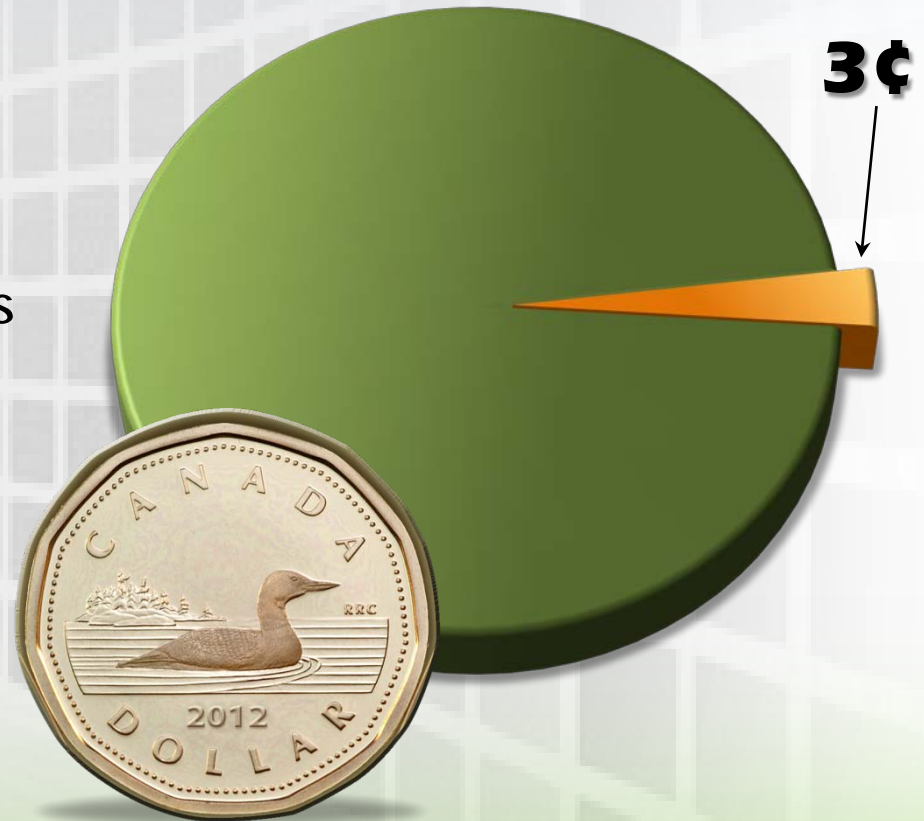
This includes funding for the Royal Canadian Mounted Police, the federal prison system, and border traffic and security operations.



Summary

# Canada Revenue Agency

And third, expenses of the Canada Revenue Agency, which administers the federal tax system (and also collects taxes for all provinces except Quebec) totaled \$7.9 billion, or roughly **3 cents** of each tax dollar spent.



Summary



# Other operations

A further \$32.3 billion—**12 cents** of each tax dollar—was spent on the operations of the other federal departments and agencies.

These included major departments such as:

- Environment
- Fisheries and Oceans
- Health
- Human Resources and Skills Development
- Industry
- Justice
- Natural Resources
- Public Works
- Transport
- Veterans Affairs



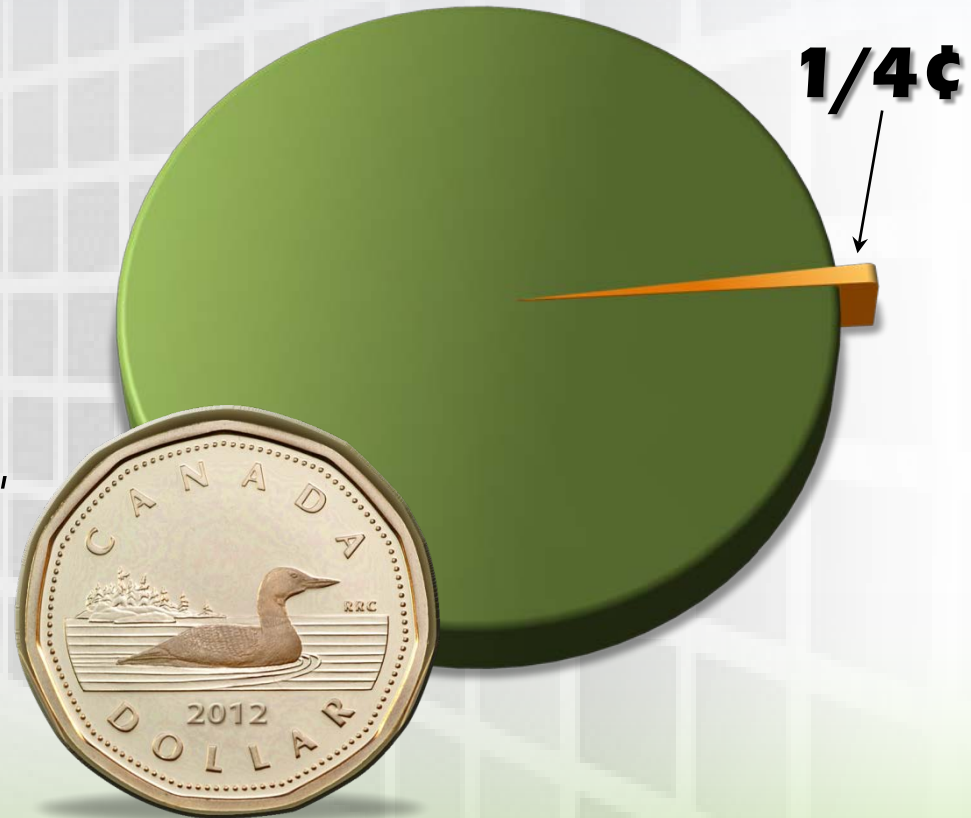
Funding also went to federal agencies such as the Canadian Food Inspection Agency, Parks Canada and the Canadian International Development Agency.

Summary

# Paying for Parliament

One of the smallest spending slices goes to Parliament itself—the House of Commons, the Senate and the Library of Parliament.

Last year, the combination of salaries and benefits for Members of Parliament, Senators and parliamentary staff, and spending on facilities and services, totaled \$565 million. That's less than one-quarter of a cent of every tax dollar spent.



Summary

# Crown corporations

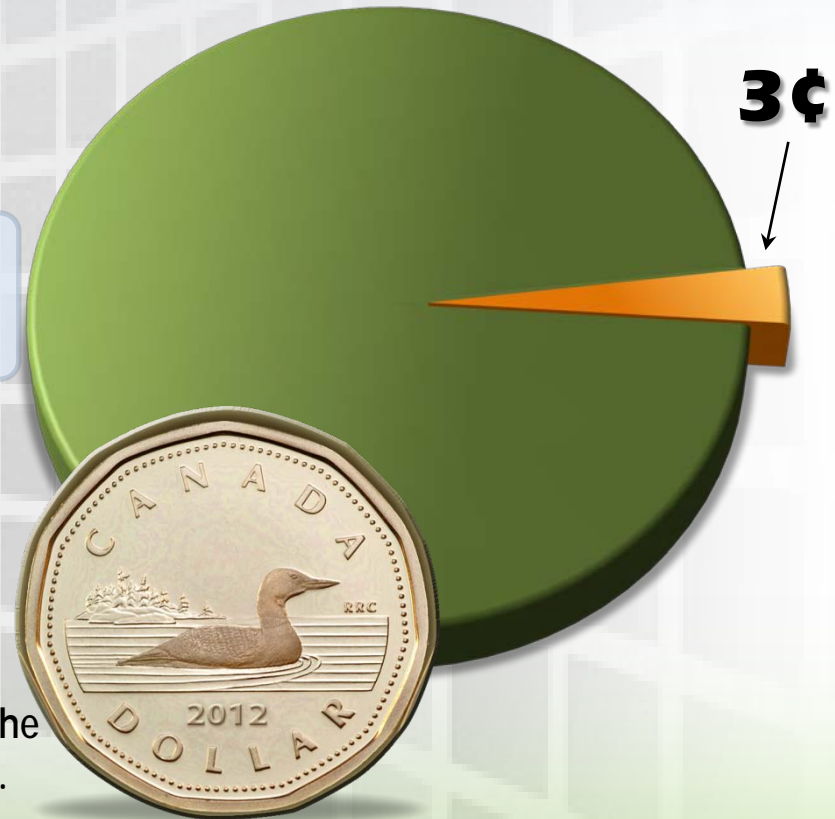
Crown corporations (organizations owned directly or indirectly by the government) cost \$8.2 billion, or **3 cents** of each tax dollar spent.

Most of this spending was by two organizations:

- Canadian Commercial Corporation—\$2.4 billion and
- Atomic Energy of Canada Limited—\$2.0 billion.

Funding was also provided to cultural organizations (including the National Gallery of Canada, the Canadian Museum of Civilization and the Canada Council for the Arts), to enterprises like VIA Rail, and to the Canadian Tourism Commission.

These costs were partially offset by revenues earned by the Crown Corporations, which totaled \$4.0 billion in 2011-12. These revenues are included as part of the Government's other revenues discussed in the section entitled "Where the money comes from".



Summary

# Public debt charges

Interest charges on Canada's public debt—money borrowed by the federal government over the years and not yet repaid—cost \$31.0 billion. That's about **11 cents** of every tax dollar spent.

Currently, 75% of this debt is owed to Canadians, including citizens and domestic institutions holding federal bonds, Treasury bills and other forms of the debt.



Summary

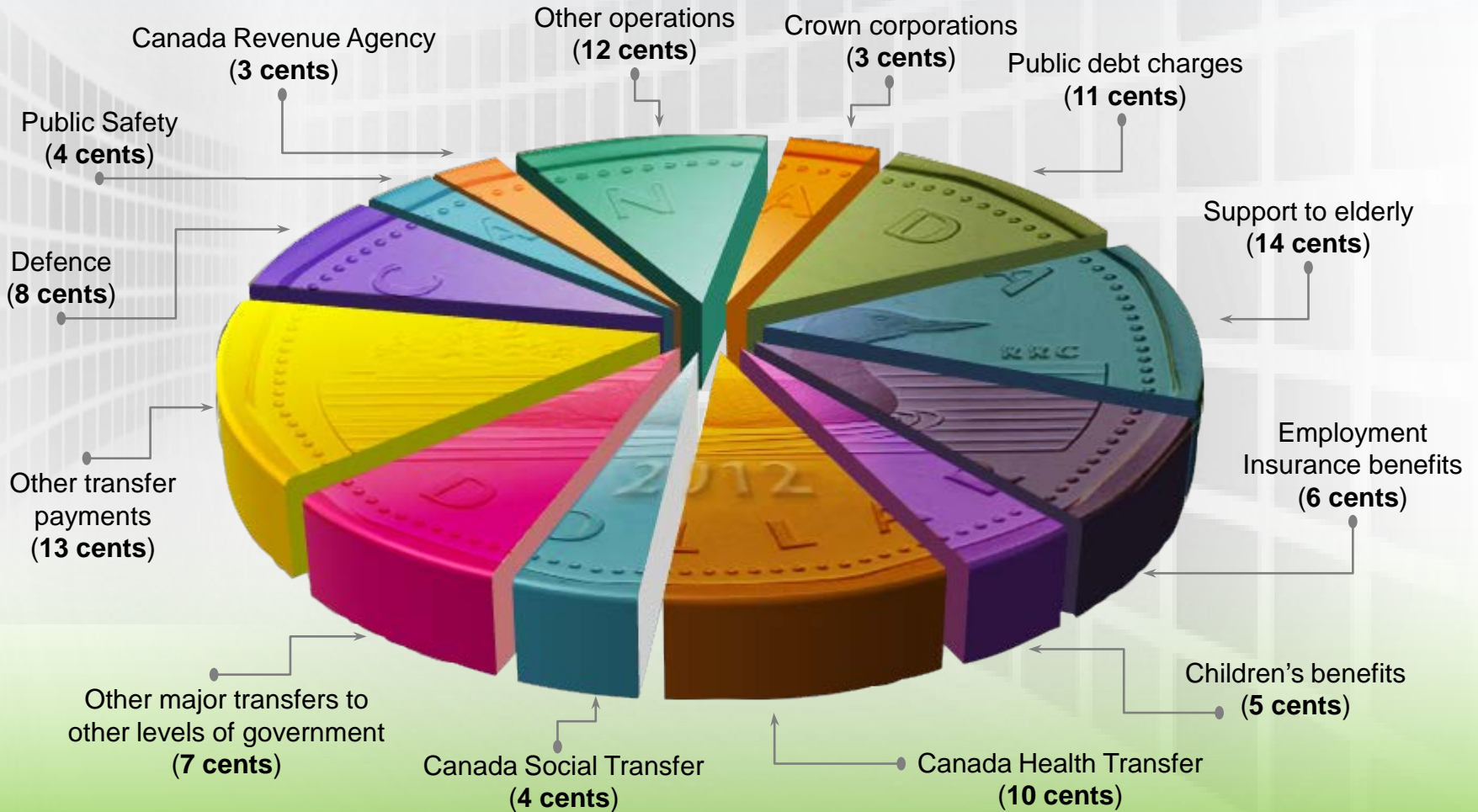




# Where your tax dollar goes: Summary

That's our brief summary of federal spending for 2011–12.

*Click on colour segment for more information*





# Where the money comes from

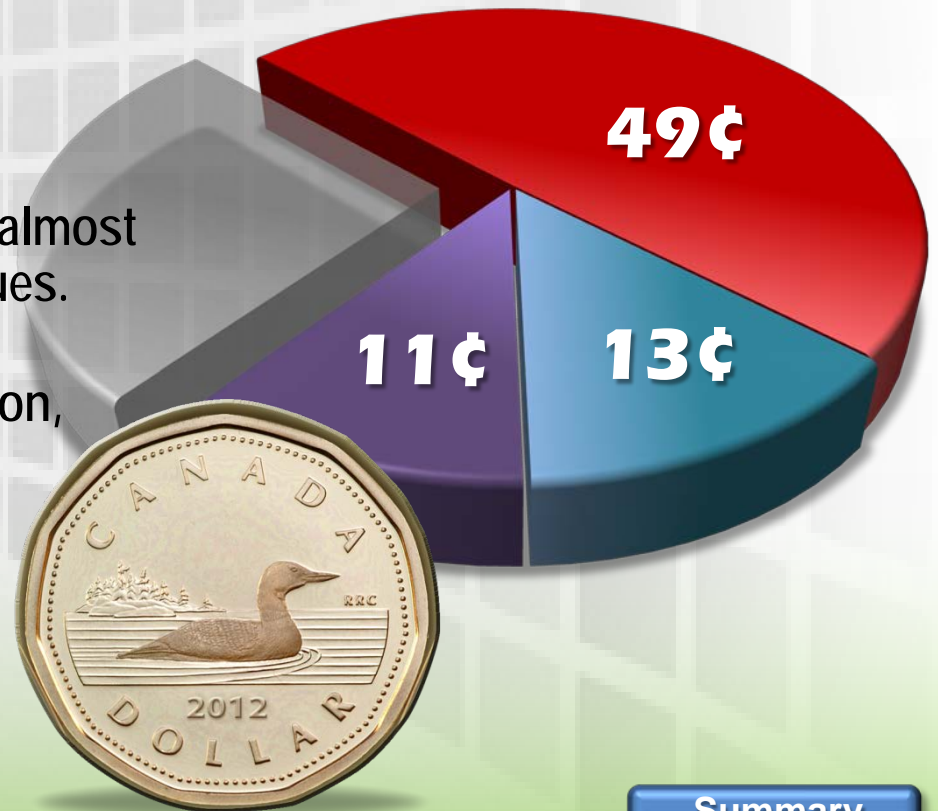
During 2011–12, the federal government recorded \$245.2 billion in revenues.

These revenues came from:

Personal income tax—\$119.3 billion, or almost **49 cents** of every dollar raised in revenues.

Corporate income tax—about \$31.7 billion, close to **13 cents** of every dollar.

Goods and Services Tax—\$28.4 billion, or over **11 cents** of every dollar.

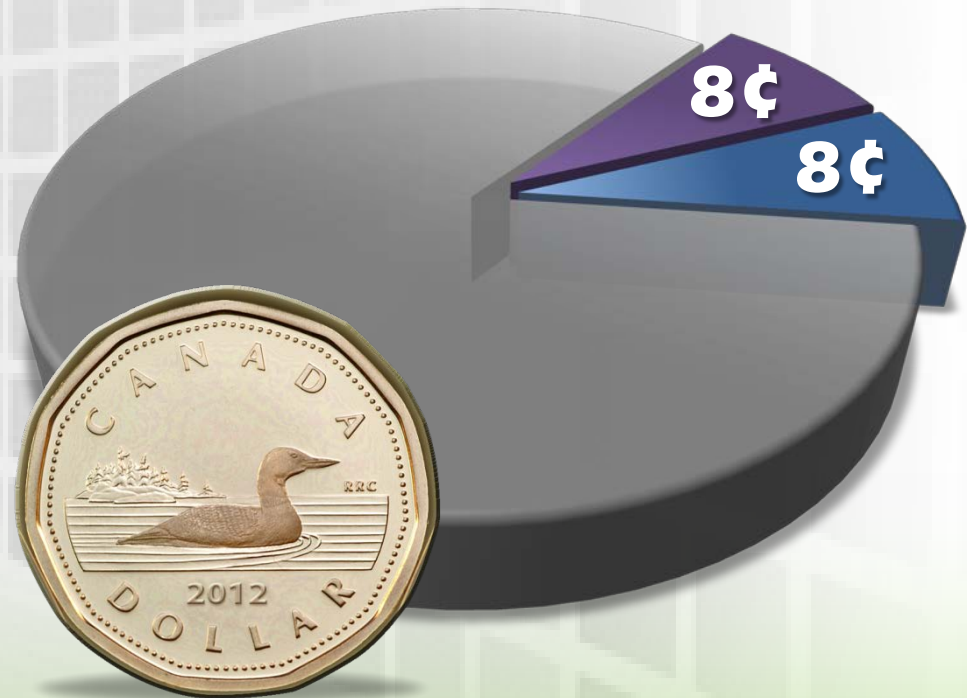


Summary

# Where the money comes from

A number of other taxes—such as non-resident withholding taxes, customs import duties, energy taxes and excise taxes and duties on alcohol and tobacco—made up \$20.0 billion, or **8 cents** of every dollar raised in revenues.

As well, Employment Insurance premiums contributed \$18.6 billion to federal revenues, roughly **8 cents** of every dollar in revenues.



Summary

# Where the money comes from

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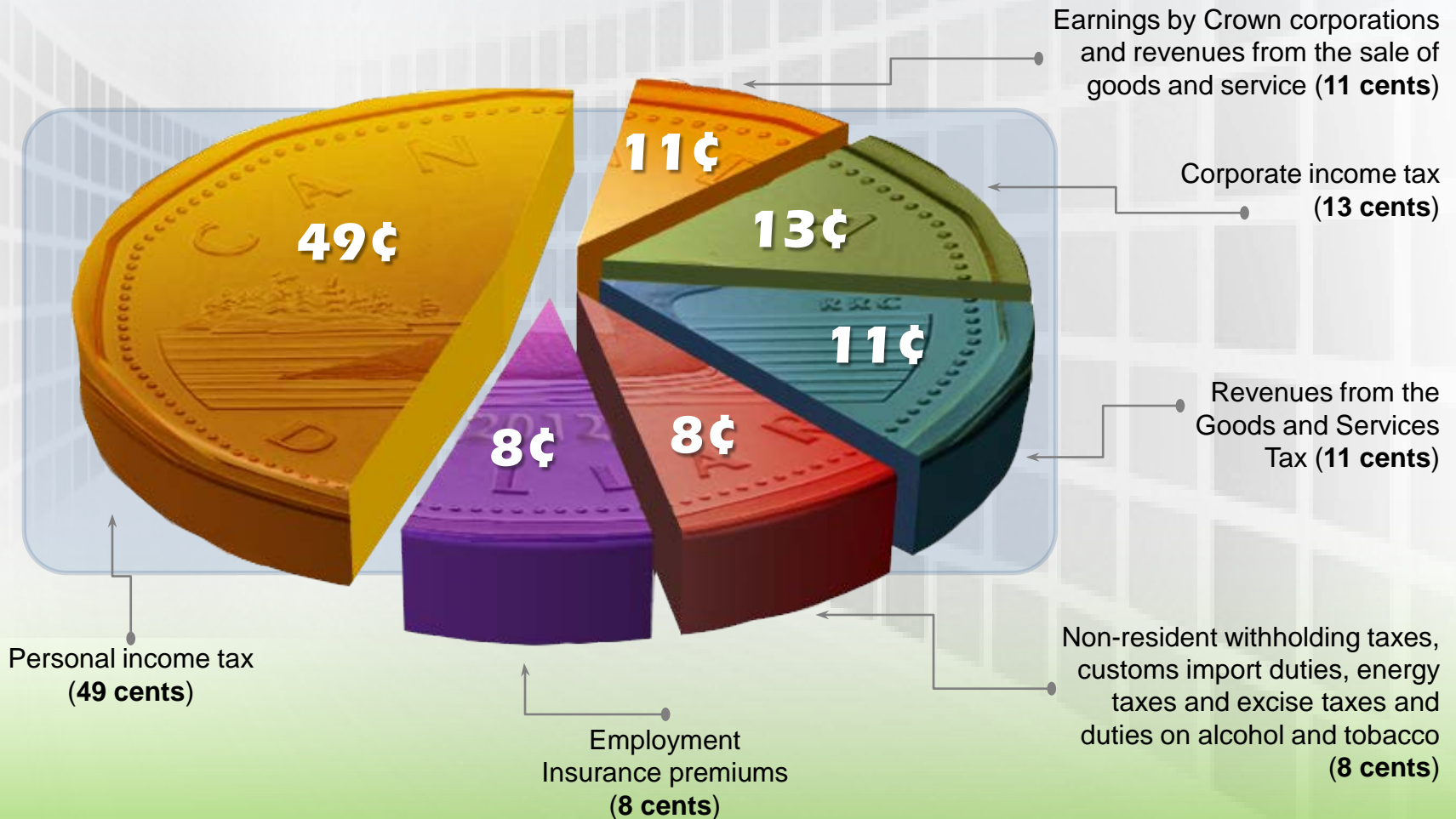
And other revenues—such as earnings by Crown corporations and revenues from the sale of goods and services—provided the remaining \$27.3 billion, or **11 cents** of every tax dollar.



Summary



# Where the money comes from: Summary





# The budgetary deficit

The \$26.2-billion difference between the government's total expenses of \$271.4 billion and total revenues of \$245.2 billion is the 2011–12 budgetary deficit. The budgetary deficit represents an increase in the federal debt (accumulated deficit).





# More about these numbers

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The federal government calculates its financial results over a 12-month “fiscal year” that ends every March 31. This presentation is based on the Annual Financial Report of the Government of Canada for the most recent complete fiscal year, 2011–12.

So that’s the story of where your federal tax dollar goes, and how it is raised. If you want more detailed information, we’ve provided a series of useful links.



# Useful links

More information on Government of Canada finances is available from these sources:

## Annual Financial Report

The Annual Financial Report of the Government of Canada provides overall financial data on federal revenues and spending on a full accrual accounting basis for the most recent complete fiscal year. It is available through the Finance Canada website under Publications at [www.fin.gc.ca/purl/afr-eng.asp](http://www.fin.gc.ca/purl/afr-eng.asp).

## Fiscal Reference Tables

Along with the Annual Financial Report, Finance Canada also publishes its annual Fiscal Reference Tables. Financial information on the provinces and territories is also included. The tables are available through the Finance Canada website under Publications at [www.fin.gc.ca/pub/frt-trf/index-eng.asp](http://www.fin.gc.ca/pub/frt-trf/index-eng.asp).

## The Fiscal Monitor

Produced by Finance Canada, this monthly newsletter highlights the most recent financial results of the Government. It is available on the Finance Canada website under Publications at [www.fin.gc.ca/pub/fm-rf-index-eng.asp](http://www.fin.gc.ca/pub/fm-rf-index-eng.asp).

## Public Accounts

The Public Accounts of Canada contain the Government's audited financial statements for the most recent fiscal year, and details of financial operations by each ministry. It is available through the Public Works and Government Services Canada website at [www.tpsgc-pwgsc.gc.ca/recgen/txt/72-eng.html](http://www.tpsgc-pwgsc.gc.ca/recgen/txt/72-eng.html).

## Debt Management Report

The annual Debt Management Report covers key elements of the federal debt strategy, and strategic and operational aspects of the Government's debt program and cash management activities over the past year. It is available on the Finance Canada website under Publications at [www.fin.gc.ca/pub/dmr-rgd/index-eng.asp](http://www.fin.gc.ca/pub/dmr-rgd/index-eng.asp).

## Canada Revenue Agency

While the Department of Finance is responsible for setting federal tax policy, it is the Canada Revenue Agency (CRA) that manages the actual revenue collection for the federal government. A quick overview of CRA operations (and access to the agency's annual operating report and Internet home page) is available at [www.cra-arc.gc.ca/gncy/nnnl/menu-eng.html](http://www.cra-arc.gc.ca/gncy/nnnl/menu-eng.html).