



IMPLEMENTING A SKILLED TRADES WORKFORCE MOBILITY TAX DEDUCTION

Skilled trades workers have always had to travel for work – that's why we're called journeypeople. But sometimes mobility creates a barrier for workers to go to where the work is. We need Government support to address the long-standing issue of financial barriers to labour mobility through the implementation of a tax deduction for skilled trades workers, for travel-related expenses when not covered by their employer.

Addressing Inequity in the Income Tax Act

In its current form, the Income Tax Act is an inequitable tax policy. Today salespeople, professionals and Canadians in other industries can receive a tax deduction for the cost of their travel, meals and accommodations when traveling for work. The same option is denied to skilled trades workers who work on jobsites that are in different regions or provinces from their primary residence. For example, someone selling rebar or conduit for the construction of a new building can travel and deduct from income the cost of their travel, meals, accommodations, while the same option is unjustly denied to skilled workers who work hard to construct the buildings. Skilled trades workers should not be punished financially due to their choice of occupation. The Government of Canada has a responsibility to ensure a system of tax fairness is in place for all Canadians.

Getting People to Work

Depending on private and public investments, at different times certain regions will have more employment opportunities than others. These conditions lead to a necessity for skilled trades workers to temporarily relocate or travel long distances for projects to meet the needs of the

market. As projects are completed, workers will then return to their permanent residence. For example, as work winds down on several major projects in Newfoundland and Labrador such as the Muskrat Falls project, workers in the Building Trades will have to travel outside of the province for work. While these workers will help meet labour shortages in regions such as Ontario and British Columbia, it means that they will likely incur out-of-pocket expenses as they temporarily relocate for work. These costs can add up and can pose a burden for workers who are trying to support their family back home.

Financial Burden on Workers

While some project budgets allow for workers travel costs to be paid for – many do not and, instead, require workers to pay out-of-pocket, often costing them thousands of dollars. With families to support, temporary relocation costs can prove too burdensome for workers, contributing to increased reliance on programs like Employment Insurance and exacerbating labour shortages in certain regions.

Financial Savings for the Canadian Government

With the COVID-19 pandemic, the Government of Canada is supporting more Canadians than ever before through Employment Insurance and programs like the Canada Recovery Benefit. If implemented, a Skilled Workforce Mobility Tax Deduction would result in savings for both the government and for skilled trades workers. By allowing skilled trades workers to deduct travel costs associated with work, from their income, they won't need to utilise programs like EI and, will contribute to the Canadian economy through tax revenues from their employment.

In March 2021, CBTU commissioned a financial projection which estimates that a Canada-wide implementation of a skilled trades workforce mobility tax deduction would save the Federal Government an estimated \$347 million dollars annually through increased tax revenues and reduced reliance on EI and other government programs.**

75% of workers say
work shortages are
common where they
live*

“Unfortunately, due to work shortages, construction workers, like myself, often need to travel from their home provinces. If the federal government would allow us to claim out-of-pocket expenses, it would be a great incentive for workers to travel for work.”
-Rolie Furlong, SMART Local 437

The Canadian Government should follow through on its platform commitment and implement a skilled trades workforce mobility tax deduction through legislation.

**Workers Rebuilding Canada Survey, August 2021, Abacus Data*

***Hendry Warren Report on Financial Implications of a Skilled Labour Mobility Tax Deduction, March 2021*