



CBTU SMCC

CANADA'S BUILDING TRADES UNIONS
LES SYNDICATS DES MÉTIERS DE LA CONSTRUCTION DU CANADA
Value on Display. Every Day. Valeur sûre à tous les jours.



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. In Budget 2022, the Federal Government should fulfill its commitment to introduce tax support for Canada's skilled trades workforce as stated in the Deputy Prime Minister and Minister of Finance's and the Minister of Labour's December 2021 mandate letters.

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 FEDERAL GOVERNMENT HAS A RESPONSIBILITY TO ENSURE A SYSTEM OF TAX FAIRNESS IS IN PLACE FOR ALL CANADIANS

Section 8 (Deductions), of the Income Tax Act should be amended to enable skilled trades workers to deduct travel expenses (when not covered by an employer) to secure and maintain employment in a construction activity at a job site in which the taxpayer could not reasonably be expected to return daily to that place from the taxpayer's ordinary place of residence.

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. With families to support, temporary relocation costs can prove too burdensome for workers, contributing to increased reliance on programs like Employment Insurance while exacerbating labour shortages in certain regions. As the Canadian economy transitions to net-zero, the Federal Government needs to implement travel supports for workers in the traditional oil and gas sector. A Skilled Trades Workforce Mobility Tax Deduction will support transitioning workers who need to temporarily relocate for job opportunities.

Financial Savings for the Federal Government

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.**

77% of workers say allowing them to claim work related travel costs would help them seek out work that required them to travel to places with labour shortages.*



“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

*Workers Rebuilding Canada Survey, August 2021, Abacus Data

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