

Minister of Finance



Ministre des Finances

Ottawa, Canada K1A 0G5

OCT 19 2010

2010FIN325513

Mr. Roger Zwicky
Owner
Babyprofit
info@babyprofit.ca

Dear Mr. Zwicky:

Thank you for your further correspondence of June 17, 2010 in which you propose that families be allowed to claim a tax credit for expenses related to childproofing a home. Please excuse the delay in replying.

The main function of the income tax system is to raise revenues for the public programs and services that are important to Canadians in a manner that is fair, simple, and conducive to economic growth and improved living standards. As a general rule, the tax system does not recognize personal expenses as this would be akin to asking Canadians to subsidize the discretionary expenses of other individuals. In this context, a tax credit of the kind you have proposed would give rise to a number of concerns.

That being said, our Government recognizes that there are significant costs associated with raising children. That is why we provide significant benefits to families with children through the Canada Child Tax Benefit and the National Child Benefit supplement. Parents of young children also receive support through the Universal Child Care Benefit, which our Government introduced soon after coming to office in 2006. Direct federal benefits provided by these two measures will amount to about \$12.7 billion for the 2010-11 benefit year, providing support to over 3.7 million families with children, with the vast majority of benefits directed to low- and middle-income families. Our Government also provides tax support for families with children through the Child Tax Credit, which provides up to \$315 in personal income tax relief for each child under age 18.

Thank you for writing.

Sincerely,

A handwritten signature in blue ink, appearing to read "James M. Flaherty".

James M. Flaherty

Canada⁺