



PROBUS Club of Central Edmonton Newsletter

February 2024

Editor: Ken Hoffman

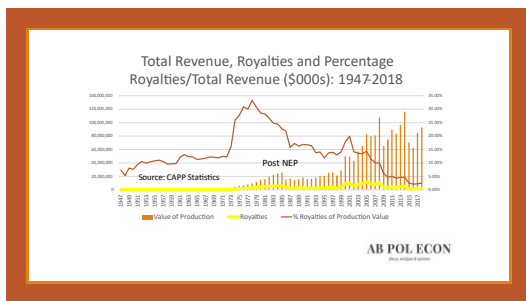
Website: www.probus-central-edmonton.com

Email: probus.cent.ed@gmail.com

Feb 20 Presentation

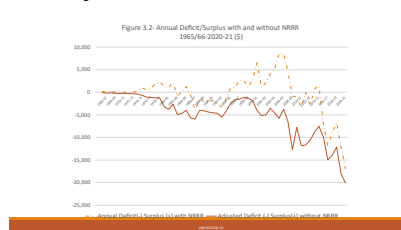
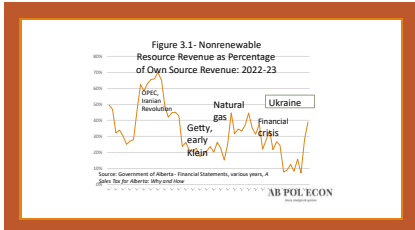
Bob Ascah's spoke to us about an Alberta sales tax as part of Alberta's tax/revenue regime. He set the backdrop in terms of Albertan's appreciation of excellent public service and dislike of taxes. The next point will be about our historic rejection of a sales tax.

Alberta for the last several decades enjoyed significant amounts of non-renewable resource revenue (NRR). Some years the amount was very significant, resulting in large surpluses for the Gov't. Other years, when the oil prices crashed, deficits were incurred, which were then followed by restraining budgets. The boom-and-bust cycle is viewed as problematic. Also, during the periods of low NRR the Gov't borrowed money. The fluctuating revenue led to challenges in financial management. This is compounded by difficulty in predicting swings in NRR. The Heritage Savings Trust Fund was set up to help with this problem but has not done so. Bob feels that its purpose has been "perverted".



He noted that the % of return of the value of non-renewable energy has declined over time. This became more apparent when more production came from oil sands. Underlying our political dynamic is the idea that lower taxes bring on more jobs. Another slide illustrated the amount of revenue forgone because of our lower tax rates compared to other provinces. He presented a slide that depicted the surplus/deficit we would see if you removed NRR from the equation. His assertion was that this slide shows that we are likely living in a delusional

world. The truth of our finances is hidden by the NRR.



We seem to want both low taxes and high levels of services. While some economists see this as the way to go, he does not. We then heard about the Gov't's use of debt, particularly to

deal with the effect of lower NRR. While the oil price is totally outside the Gov't's control, versus spending being entirely within its control.

After setting the backdrop, we moved on to the pros and cons for a sales tax, starting with pros. These include:

- The cost of raising a dollar of sales tax is lower than, say, income tax.
- The volatility of sales tax is low relative to other taxes and certainly NRR.
- A tax rate of 5% would raise 5 billion a year.
- Sales tax captures tax revenue from anyone spending in Alberta, while some income for income-based taxes can be moved out of the province.
- Regressive nature of tax can be mitigated by refunds to low-income people.

Cons for a sales tax include:

- Voters do not like it.

- It is believed that whichever party brings in a sales tax will be ousted in the next election.
- It adds another regressive level of taxes like product-based taxes.
- It is just more money for politicians to waste.
- Technically we need a referendum to implement.

How to implement? Start with looking the whole basket of taxes to see how it will fit in. Next, set up a genuine diverse panel of people as a consultation forum. It should no be led by business or “experts. There will need to real transparency for example disclosure of expense, and who they meet with. The research agenda needs to be approved by Gov’t. Use other tools such as talk shows, presentation by experts.

Given the presentation, it was interesting to hear the Premiers TV spot including no sales tax comment. We also saw a new plan for the HSTF. This was followed by budget with a low increase in spending.

During the presentation he referred to a book he wrote entitled “A Sales Tax foe Alberta”. Drawing from it to make to presentation. Several of the charts he used were from it. It was clear that this issue will not go away.

Feb Tour

While it looked intriguing it was cancelled because of the tour leader’s illness. We hope to take at a different date.

Interesting aside:

Cynical Philosopher’s thoughts:

- I find it ironic that the colors red, white, and blue stand for freedom until they are flashing behind you.
- When wearing a bikini, women reveal 90% of their body... men are so polite they only look at the covered parts.
- Relationships are a lot like algebra. Have you ever looked at your X and wondered Y?
- America is a country which produces citizens who will cross the ocean to fight for democracy but won't cross the street to vote.
- You know that tingly little feeling you get when you love someone? That's your common sense leaving your body.
- Did you know that dolphins are so smart that within a few weeks of captivity, they can train people to stand on the very edge of the pool and throw them fish?
- My therapist says I have a preoccupation with vengeance. We'll see about that.
- I think my neighbor is stalking me as she's been googling my name on her computer. I saw it through my telescope last night.
- Money talks... all mine ever says is good-bye.
- You're not fat, you're just... easier to see.
- If you think nobody cares whether you're alive, try missing a couple of payments.
- My therapist said that my narcissism causes me to misread social situations. I’m pretty sure she was hitting on me.
- My 65-year kindergarten reunion is coming up soon and I’m worried about the 175 pounds I’ve gained since then.
- The pharmacist asked me my birth date again today. I’m pretty sure she’s going to get me something.
- The location of your mailbox shows you how far away from your house you can be in a robe before you start looking like a mental patient.
- Money can’t buy happiness, but it keeps the kids in touch!
- The reason Mayberry was so peaceful and quiet was because almost nobody was married. Andy, Aunt Bea, Barney, Floyd, Howard, Goober, Gomer, Sam, Earnest T. Bass, Helen, Thelma

Lou, Clara and, of course, Opie were all single. The only married person was Otis, and he stayed drunk ALL the time.

Enjoy yourself and stay safe.