

Proposed changes to Canada's Income Tax Act to make union spending public

Details of Bill C-317 will hold unions accountable for all financial decisions
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A private member's bill introduced in Canada's House of Commons intends to force unions to file financial statements to the Canada Revenue Agency, which would then make that information available online to the public.

The bill introduced by Conservative MP Russ Hiebert would amend the rules governing labour organizations under Canada's Income Tax Act, which currently exempts unions, along with charities and municipalities, from paying taxes. According to the proposed changes to the Act, if unions didn't comply with the new law, they would risk losing that exempt status.

Bill C-317, An Act to amend the Income Tax Act (labour organizations) was given first reading in the House of Commons on Oct. 3, 2011 and primarily adds a new section 149.01 to the Act.

The information that unions will be required to submit under that new section includes the following:

- the status of accounts receivable and loans payable,
- the sale and or purchase of investments and fixed assets, including a description, cost outline, book value and sale price,
- the salaries, benefits, bonuses and gifts given to officers, directors, trustees, employees and contractors,
- the costs related to labour relations activities, political activities and lobbying,
- the costs of contributions, gifts and grants, and
- costs relating to conferences and conventions.

Unions will also be required to highlight transactions greater than \$5,000 in value in the document.

The Canadian Labour Congress (CLC) says that this bill is merely an attack on unions in Canada.

"This is an attempt to create an issue that doesn't exist," says CLC president Ken Georgetti. "Our financial records have always been open to our members."

Terrance Oakey, president of Merit Canada, an organization representing eight different provincial Open Shop construction associations, disagrees with Georgetti and believes this legislation is "long overdue."

"It's time for Canadian unions to move into the 21st century with regard to transparency and accountability," Oakey says. "Workers facing a union drive should be able to learn where their forced union dues will be spent and Canadians should know because of the tax free treatment that unions have."

Unions will be given six months to comply with the new regime after the changes receive royal assent, according to the bill.