

PROTECTING CANADIAN CHARITIES:

A comparison of federal parties' positions on charitable rules in Canada

Charities make an important contribution to society and they should be provided with the space to do so effectively. That is why 17 organizations came together recently to ask all the federal political parties in Canada to commit to reversing the attacks on charities and to “make a commitment to preserving and enhancing this role by strongly supporting a new legal and policy direction that enhances and protects the ability of registered charities to participate in public policy debates.”

We have now received replies from the Green, Liberal and New Democratic Parties. The Conservative and Bloc Québécois parties did not reply to our letter. Canadians deserve to know how each party stands on this critically important issue.

It is critical for a healthy democracy that charities are involved in shaping public policy. Charities voice the concerns of millions of Canadians and provide subject matter expertise, which results in better, more effective policies and laws.

Political Activity Defined

The Canada Revenue Agency includes in its definition of “political activity” any public efforts to retain, oppose or change a law, policy, or decision of any level of government in Canada or a foreign country to advance the charitable purposes of the organization.¹ This should not be confused with “partisan activity” which refers to activities supporting or opposing a particular political party or candidate. “Partisan activity” is banned and should remain so. “Political activity” should be encouraged, not restricted.

FEDERAL POLITICAL PARTY COMMITMENTS

B

The Bloc Québécois did not respond to the letter.

G

The Green Party committed to allowing charities to advocate for change in their permanent policy document, **Vision Green**, specifically:

“Green Party MPs will promote revising and updating the laws relating to charitable NGOs, so that NGOs can participate in advocacy and be able to retain their charitable status and their ability to accept tax-deductible donations.”

NDP

The NDP committed to:

- A** “Ending the campaign of politically motivated audits of Canadian charities
- B** Updating laws to ensure that charities’ ability to participate in public policy debates and advocacy are protected”

L

The Liberal Party committed to:

Open and fair CRA: “We will introduce a significant overhaul of CRA operating practices to develop a client relationship rather than that of simply a taxpayer. Elements include: ending the CRA political harassment of charities, as well as clarifying the existing rules to clearly affirm and support the important role that charities can and should play in developing and advocating for public policy in Canada.”

C

The Conservative Party did not respond to the letter. However, via the media, a spokesperson for the revenue minister wouldn’t say whether the minister would support clarifying the law.

“The department, and the department alone, is responsible for interpreting the rules laid out in the Income Tax Act as they pertain to charities.”

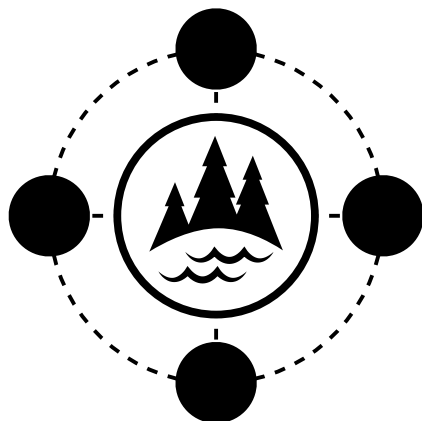
- Carter Mann in an e-mail.²



WHY WE NEED CHARITIES

Many of the good things about Canadian society have been created through the efforts of charities and their involvement in public policy work. Some examples of the impact of the work Canadian charities have been involved in include:

- Strengthening anti-drinking and driving laws³
- Banning smoking from schools and workplaces^{4, 5}
- Ensuring disclosure of health risks from toxic chemicals and banning cancer-causing chemicals
- Drastically reducing acid rain in Canada after public demands for new laws
- Creating networks of national and provincial parks across Canada
- Banning chemicals that put holes in the ozone layer



- Phasing out coal – North America’s largest greenhouse gas emissions reduction effort – in Ontario and drastically reducing smog days⁶

All of these gains came through Canadians of all stripes working through charities to raise issues and solutions that eventually resulted in government action. And they would not have happened if charities were not allowed to participate in public policy.

If charities are silenced then many Canadians will no longer be able to have their voice heard on issues that they care about.

Canadians deserve better than this.



ENSURING CITIZENS' VOICES AREN'T DROWNED OUT BY CORPORATE DOLLARS

The question of charities' involvement in public policy work has been in the media a lot lately, with some suggesting that citizens should lose their ability to receive tax receipts for donating to charities that advocate for health, environment or social justice.

Currently in Canada, both individuals and corporations can receive tax benefits for advancing their interests in public policy debate. Existing tax rules already provide greater tax benefits to corporations than to individuals who do so through contributions to like-minded charities. And if the current trend toward stifling charities' involvement in public policy continues it will create a highly unequal financial situation, one where citizens effectively lose their tax benefits from financially supporting charities, but corporations retain them. Furthermore, many charitable foundations that have supported these groups and their important public policy work in fields from health to the environment will no longer be allowed to do so. In contrast, corporations would continue to be able to have their voice heard through contributions to organizations such as Ethical Oil,

EthicalOil.org, an energy-sector promoter... also formally complained about three of the five environmental groups caught in the first wave of audits — suggesting their letters turned into CRA leads. ⁷

industry associations, etc. and deduct all their contributions directly from their pre-tax gross incomes. As a result, Canadians would be subsidizing corporate voices through their governments receiving lower corporate tax revenue but would not have any ability to receive any personal benefit from contributing to the groups and views that they as citizens support.

THE TIME TO ACT IS NOW

The ability of Canadians to engage in important debates about social justice, liberty, poverty and the environment depends on charities providing an avenue for their ideas and magnifying their voice.

We can have a brighter future where Canadians voices are heard and embraced but only if the attacks end and charities are protected by new, better laws and policies that value their positive contributions to Canadian life.

HERE'S HOW YOU CAN SHOW SUPPORT FOR CHARITIES. TAKE ACTION:



Sign our petition asking our federal party leaders to establish new legal and policy direction that enhances and protects the ability of registered charities to participate in public policy debates

REFERENCES

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This report is a joint initiative of leading Canadian organizations working together to preserve and enhance the role of Canadian charities in public policy discussions. Together, these groups represent the voices of hundreds of thousands of Canadians.

August 2015



environmental
defence

