

Clarifying Capital Gains

The increase in the capital gains inclusion rate promotes intergenerational equity.

Not to be mixed up with the tax rate!

What is a capital gain?

A capital gain is a profit realized from a transaction, sale, or donation of real estate, which may be taxable under the law. The taxable portion of capital gains is referred to as the «inclusion rate.»

The inclusion rate for taxable capital gains has increased from 50% to 66.7% for anyone declaring an annual gain exceeding \$250,000.

It is not normal for a multimillionaire to pay less tax than a nurse.

Our measure aims to correct this inequity.

Why has the inclusion rate been increased?

We ask the wealthiest part of the population to contribute a little more to ensure tax equity for each generation.

We want the tax system to be fairer for workers.

There was an injustice between the taxation of income from salaries versus that of income from capital gains or dividends.



All the money the federal government collects from this increase in the inclusion rate will allow us **to invest in the Canadian Dental Care Program, the national pharmacare program, the construction of affordable housing for the middle class, and much more.**

How many people are concerned by this measure?

Only **0.13 %** of Canadians, or about 40,000 people, will be touched.



A principal residence is exempt from capital gains tax!

Gains below **\$250,000** are therefore not concerned by this measure.

An example :

Your couple bought a triplex for \$500,000 ten years ago and sold it for \$2 million, resulting in a capital gain of \$1.5 million. Together, you will need to pay approximately between \$212,600 and \$252,600 in federal tax*, which is between 14% and 17% of the total sale amount (instead of a maximum of about \$206,700).

*Depending on your other sources of taxable income.

Other examples



La version originale de ce document est en français. Svp me contacter pour obtenir une copie : Soraya.MartinezFerrada@parl.gc.ca

Document updated in October 2024.

Working Towards a Fairer Society

SOCIO-ECONOMIC LEAFLET - OCTOBER 2024



Soraya
Martinez Ferrada

**Member of Parliament
for Hochelaga**

Rosemont-Est, Hochelaga-Maisonneuve,
Mercier-Ouest

Constituency office

2030, boul. Pie-IX, Bur. 225, Montréal, QC H1V 2C8
Pie-IX | 514 283-2655
Monday to Friday, 9 am to 3 pm.
On appointment.

Soraya.MartinezFerrada@parl.gc.ca
sorayamartinezferrada.ca



A word from Soraya



Some facts about our economy

Dear citizens,

Although Canada is doing well at the macroeconomic level — we can think of the 2% inflation rate or the falling interest rates — many of you are not feeling it in your wallets. That's why I am sending you this leaflet to discuss our socio-economic situation and the actions we, as a government, are taking to help you.

I have also noticed false information circulating, particularly on social media or sometimes in the talking points of opposition parties. It is important to set the record straight and explain why we have chosen to invest in people.

What does it mean to invest in people?

Providing free access to dental care

Feeding children in schools through a national school food program

Supporting families with the Canada Child Benefit

Building affordable and social housing

Eliminating the cost of contraception and insulin

Facilitating access to first-time homeownership with the FHSA (First Home Savings Account)

In Hochelaga–Rosemont–Est, thousands of people benefit from these measures that ease the burden of the cost of living.

How can we afford these investments?

Well, we are asking the ultra-rich to pay a little more on their capital gains so that together, we can ensure a better quality of life for everyone and greater intergenerational equity. Everyone deserves a fair chance to succeed.

These choices put us in a good position, compared to countries like the United States or France, to grow our economy, strengthen our social safety net, and help people cope with the rising cost of living.

I invite you to read this leaflet carefully and contact me with any questions or suggestions.

Soraya Martinez Ferrada
Member of Parliament
for Hochelaga



The inflation rate was **1.5 %**

in Quebec in August 2024.

It has remained within the Bank of Canada's target for nine consecutive months.

1st

G7 country to have lowered its interest rates.

Interest rates are on a downward trajectory. The Bank of Canada's Policy interest rate has been declining since June 2024.



More money in your pockets to improve your purchasing power.



More investments and more job creation.

Higher GDP

than most G7 countries.

Canada's Gross Domestic Product (GDP) growth exceeds that of most G7 countries. In 2025, we will be number 1.

Low debt-to-GDP ratio

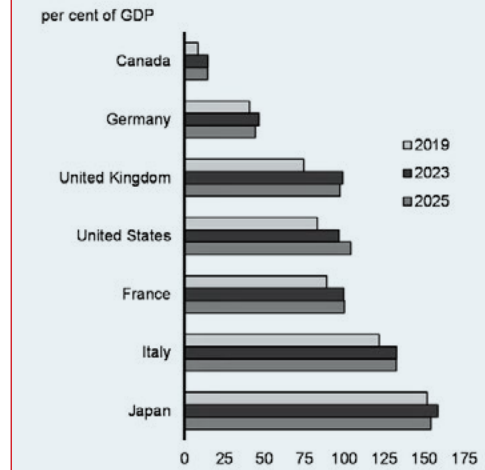
compared to other developed countries.

Canada's debt is controlled and sustainable in the long term relative to the size of our economy.

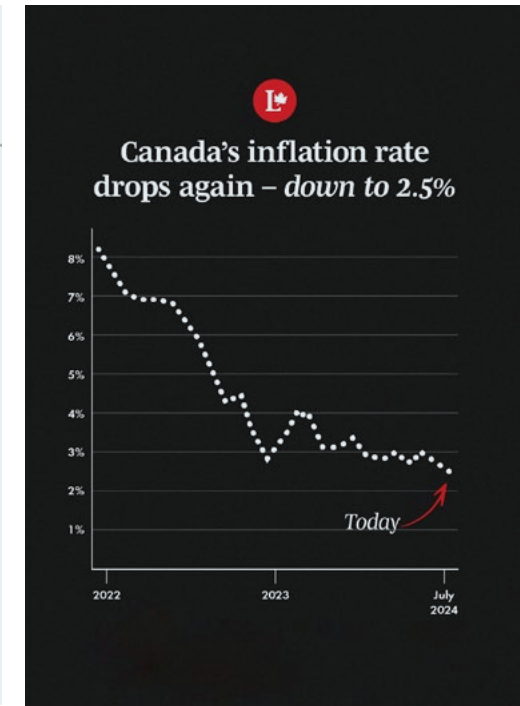


Economic Situation of Canada

IMF General Government Net Debt Projections, G7 Economies



Source : Statistique Canada



Canada enjoys a strong financial reputation and a relatively high debt capacity, envied by many other countries. **We have a stable economy, low unemployment, and robust financial institutions.** This allows us to invest in our social programs and stimulate the economy.



The investments we made during the pandemic have enabled us to collectively weather this crisis, ensure the recovery of SMEs' economic activities, and maintain an enviable position in the world.



History teaches us that **during economic crises, investment is essential to stimulate recovery.** Today, we are ensuring a recovery that will have significant long-term economic benefits.



For our government, **economic productivity depends on a healthy population, supported by a social safety net and access to well-paying jobs.**