

Now is the time for income splitting!
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We are facing unprecedented economic challenges and it is easy to just get into more debt we can't climb out of, or to rush the reboot, putting lives at risk too soon.

What to do?

A friend of mine reminded me of the move made in Canada a few years ago that might just give us an answer now.

I see it as the half-recovery, the baby steps forward.

If we have a way for people to create their own win-win, in each household, that is how to climb out of the dilemma wisely. If there was a way to do both the caregiving role (of our young, of our frail seniors for instance) and not put them at risk, but also to have income coming back into the home, we meet the dual goals.

If we enable those with paid jobs to get back to their work, to keep the trucks delivering, doctors seeing patients, stores operating, even if many workers were half time, that could be the win win. If we permit income splitting, individual households could decide how to reboot. Some may choose one being a caregiver with the other earning. while others might take turns, days, weeks, evening and day shifts. The work from home option, telecommuting, could still use new technologies to create that balance more permanently. If we value both the roles, that is the win win. And the way to do it is to tax people to make it reasonable.

In the paid workplace the stores would reopen and stay open but maybe with staggered hours, split shifts, employees coming into and out of the office in more job sharing style. We can do this.

We can enable it with income splitting, the single rate tax, or flat tax that does not penalize individual households for their division of labor. Let them divide up the tasks as works for them, but remove the current penalty there is for how they do it.

Alberta had a single rate tax for a few years. It is easier to administer, easier to fill out the tax forms, and eminently fairer to households. Taxing people based on household income, not individual income, is a way to recognize the reality that household income is shared, that the paid and non paid members live at the same standard of living. It is a way of recognizing that everyone in the household is a partner and that the adults are interdependent not earner and dependent.

By this answer, government would not climb out of its huge debt immediately but it would start to, slowly. Households would pay in many cases a lower overall tax than right now, but they would still be functioning in the paid economy, and paying tax dependably again.

Income splitting was recommended by the 1960 Carter Commission and keeps resurfacing as a fair way to tax. It enables choices for citizens. Single parents can also income split, in the tax system in France for instance, by viewing their income as shared with their children. And it is a way out of our virus and economy shutdown dilemma.

With this income tax change, there would be more people back at paid work, lower unemployment costs to government. Within the home there would be confidence again and hope. People given choices of how to live, and no penalty, are happiest and that is what democracy is.. A great government just makes it possible.

Income splitting is a way to recognize that our young and our elderly are also a priority and we do not put them at risk. We keep our arms around them gently helping schools do the slow re-opening, not forced to rush open because our economy is in distress but only when a vaccine is found, an antibody test is perfected and we can be sure those we love are safe.

Canada had a strong move for pension splitting a few years ago and it was one of the most popular moves ever made in polling history. We can do this for general income splitting now and we should.

It is a win win also because in terms of legal rights of equality, human rights for dignity of lifestyles, women's rights to value all roles, even the care role - is it a great resolution. It does not tell people how to live but values all the types of work they do.

Can we move this proposal along?

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