



OFFICE OF THE PARLIAMENTARY BUDGET OFFICER  
BUREAU DU DIRECTEUR PARLEMENTAIRE DU BUDGET

# Cost Estimate of Election Campaign Proposal

Publication Date: 2021-09-01

Short Title: Eligible Educator School Supply Tax Credit

Description: The Eligible Educator School Supply Tax Credit rate will be increased from 15% to 25%. This rate will still apply to eligible teaching supplies expenses of up to \$1,000 and the credit will remain refundable. The definition of eligible teaching supplies will be modified to include technological devices and the criteria that the supplies must be used in school will be removed. The increase will be effective January 1, 2022.

Cost of Proposed Measure:	\$ millions	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	Total
Total cost		2	7	7	7	7	29

Notes:

- Estimates are presented on an accrual basis as would appear in the budget and public accounts.
- A positive number implies a reduction in the budgetary balance (lower revenues or higher spending). A negative number implies an increase in the budgetary balance (higher revenues or lower spending).

"-" = PBO does not expect a financial cost.

Estimation and projection method: SPSPD/M<sup>1</sup> was used to estimate the fiscal impact of a 10-percentage point increase in the refundable tax credit rate. Growth in the number of teachers and early childhood educators was based on Employment and Social Development Canada's (ESDC) Canadian Occupational Projection System. Assumptions were made on the amount spent on technological devices. A behavioural response was not incorporated.

Source of Uncertainty: The main sources of uncertainty relate to the projection of eligible teaching expenses and the potential behavioural response.

Data Sources:	Variable	Source
	Eligible teaching supplies expenses	SPSPD/M
	Eligible educator school supply tax credit	SPSPD/M
	Growth in number of teachers and early childhood educators	Employment and Social Development Canada's Canadian Occupational Projections

© Office of the Parliamentary Budget Officer, Ottawa, Canada, 2021

<sup>1</sup> This analysis is based on Statistics Canada's Social Policy Simulation Database and Model (SPSPD/M). The assumptions and calculations underlying the SPSPD/M simulation results were prepared by the Office of the Parliamentary Budget Officer (PBO) and the responsibility for the use and interpretation of these data is entirely that of the PBO.