

# Legislative Costing Note

Publication Date:	2022-01-31	
Short Title:	Enhancing the Eligible Educator School Supply Tax Credit	
Description:	<p>Pursuant to <a href="#">Bill C-8</a>, 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 requirement that the supplies must be used in school will be waived.</p> <p>This measure would apply to the 2021 and subsequent taxation years.</p>	
Data Sources:	Variable	Source
	Eligible teaching supplies expenses	SPSD/M <sup>1</sup>
	Eligible educator school supply tax credit	SPSD/M
	Growth in number of teachers and early childhood educators	Employment and Social Development Canada's Canadian Occupational Projections
Estimation and Projection Method:	SPSD/M 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.	
Sources of Uncertainty:	The main sources of uncertainty relate to the projection of eligible teaching expenses and the potential behavioural response.	
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1. This analysis is based on Statistics Canada's Social Policy Simulation Database and Model (SPSD/M Version 28.1). The assumptions and calculations underlying the PSD/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.

## Cost of proposed measure (\$ millions)

2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	5-Year Total
7	7	7	7	7	35

## Notes

- Estimates are presented on an accruals basis as would appear in the budget and public accounts.
- Positive numbers subtract from the budgetary balance, negative numbers contribute to the budget balance.
- "-" = PBO does not expect a financial cost.

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