

Removing the Goods and Services Tax (GST) from funeral-related expenses



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Parliament was prorogued on January 6, 2025, which ended all parliamentary business. The majority of the work required for this estimate report was completed at the time of prorogation. Therefore, this note is presented in accordance with the Parliamentary Budget Officer's mandate to promote budget transparency and accountability.

There has been parliamentary interest about removing the federal Goods and Services Tax (GST) from funeral-related expenses. This policy change was proposed in Bill C-397 (first session of the 44th Parliament).¹

This costing estimates the revenue that would be foregone if the GST were removed from funeral-related expenses, regardless of whether the tax was charged as part of Harmonized Sales Tax (HST) or separately. The costing also assumes that the policy change would have come into effect on January 1, 2025.

The specific goods and services that would have become zero-rated under Bill C-397 had not been determined by the end of the parliamentary session. As such, the Parliamentary Budget Officer (PBO) calculated the tax foregone on basic funeral costs.

The PBO estimates a total cost of \$679 million over the 2024-25 to 2028-29 fiscal years.

5-Year Cost

\$ millions

Fiscal year	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	Total
Total cost	38	154	158	162	166	679

Notes

- Estimates are presented on an accrual basis as would appear in the budget and public accounts.

¹ Additionally, the bill proposed the introduction of a one-stop service for reporting a death, which would allow the information to be shared with all relevant government agencies through a single notification. However, this costing note only estimates the cost of making the GST zero-rated.

- A positive number implies a deterioration in the budgetary balance (lower revenues or higher spending). A negative number implies an improvement in the budgetary balance (higher revenues or lower spending).
- Totals may not add due to rounding.

Estimation and Projection Method

Historical data about GST collected on funeral services was retrieved from the Statistics Canada detailed Supply and Use tables (SUT). This data represents the GST collected from certain, but not all, funeral-related expenses. To project the SUT data from 2021 to 2024, the PBO used adjusted Statistics Canada detailed household final consumption expenditure data. Then, to project the SUT data to 2029, the PBO used an average of historical price growth rates for funeral services from Statistics Canada data.

For funeral-related goods and services that were not included in the SUT data, information was collected from various online sources. This information included the prices of various goods and services, as well as the proportion of funerals that used each type of good or service. Based on this data, a weighted per-funeral average of these costs was calculated. The data was adjusted to 2024 dollars and projected to 2029 using the average of historical growth in prices of funeral services and in prices of caskets and other related funeral goods. Then, the calculated costs were multiplied by the projected death totals for the corresponding year.

To estimate the number of deaths, historical Statistics Canada data were used to project the death rates of various age groups for each year of the costing. These death rates were then multiplied by the PBO's population projections for the corresponding age groups.

Sources of Uncertainty

The main sources of uncertainty are the costs of various funeral-related goods and services and the frequency with which each good and service is purchased. Prices can vary between years and geographic areas. As well, due to a lack of data, the PBO made assumptions about the frequencies for which certain goods and services are used.

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Data Sources

Historical GST data about funerals

Statistics Canada [Supply and Use Tables](#)

Historical consumption data about funerals

Statistics Canada Table [36-10-0124-01](#)

Historical price data about caskets and other related funeral goods

Statistics Canada Table [18-10-0266-01](#)

Population Projections

PBO Economic and Fiscal Outlook - October 2024

Deaths by age group statistics

Statistics Canada Tables [17-10-0006-01](#)

Other death data

Statistics Canada Table [13-10-0708-01](#)

Average costs of various funeral expenses

[InMemory \(archived on web\)](#)

Prices of obituaries

[Montreal Gazette](#), [Ottawa Citizen](#) and [Saskatoon StarPhoenix](#)

Funeral service trends

National Funeral Directors Association (via [Daily Montanan](#))

Cremation rate statistics

[Cremation Association of North America](#)

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