Taxpayers Federation warns new Streaming Tax will make life more expensive

FRANCO TERRAZZANO

The Canadian Taxpayers Federation is criticizing the federal government for announcing a new tax on online streaming services.

“The federal government should be doing everything it can to make life more affordable and that means cutting taxes, not imposing new ones,” said Franco Terrazzano, CTF Federal Director. "Canadians have every reason to worry this new tax will mean higher prices to stream their favourite music, movies and TV shows.”

Today, the Canadian Radio-television and Telecommunications Commission announced it’s “requiring online streaming services to contribute five per cent of their Canadian revenues to support the Canadian broadcasting system.”

“These obligations will start in the 2024-2025 broadcast year and will provide an estimated $200 million per year in new funding,” according to the CRTC.

“As Canada’s affordability crisis remains a significant challenge, the government needs to avoid adding to this burden,” said Graham Davies, President and CEO of the Digital Media Association, who likened the announcement to a “discriminatory tax.”

“At a time when affordability is a major concern, Canadian consumers should prepare for a new Bill C-11 fee on their bill,” warns University of Ottawa Law Professor Michael Geist.

“If the Trudeau government wants to know why this is a bad idea, all it has to do is listen to what the prime minister said in 2018, when he warned higher taxes would be passed onto consumers,” Terrazzano said.

“The reality is that taxpayers will be the ones to pay those taxes,” said Prime Minister Justin Trudeau in 2018 when asked about streaming platforms paying higher taxes. “We … promised not to raise taxes for taxpayers who are already paying enough for their digital subscriptions and Internet.”

CANADIAN TAXPAYERS ASSOC.