The Honourable Diane Lebouthillier, P.C., M.P.
Minister of National Revenue
555 Mackenzie Avenue, 7th Floor
Ottawa ON K1A 0L5

January 26, 2021

Dear Minister Lebouthillier,

We hope you are well. We are writing to you at the request of some of our members about the Volunteer Firefighter Tax Credit. This is a very important program to the fire service. We commend the federal government for protecting it.

The purpose of our letter is to share with you concerns about the administration of the tax credit that may be, or that may become related to the effects of the pandemic, changing provincial and territorial approaches, and the recent petition to the House of Commons. We are pleased to describe the issues and provide our recommendations.

We'd like to begin by highlighting the recent petition in the House of Commons to increase the amount of the volunteer firefighter tax credit and the accompanying Search and Rescue tax credit. The amount of the tax credit has not increased since its inception. We agree that an increase would be supportive of public safety in Canada. We rely heavily on volunteers in the fire service. Costs have increased and the tax credit would go a long way in helping to secure supply. We support this petition. Further in the context of COVID 19, it is possible that in some regions volunteer firefighters may have accumulated more than 200 hours while still others will not have been able to accumulate 200 hours.

At the same time, we are concerned that changes in provincial and territorial regulations regarding the protection and recognition of volunteer firefighters as well as what is considered a volunteer firefighter may not be consistent with the details of the Volunteer Firefighter Tax Credit.

Specifically, to align with health and safety and workers compensation arrangements, in many provinces and possibly in some territories, a volunteer firefighter is for administrative purposes, treated a casual or part time employee. This ensures that there is some safety coverage. Some remuneration or honoraria may be given, however, the individual is not doing this for that purpose. Indeed, the wage and hours are not in fact liveable and the primary motivation is service to society. For this reason we continue to refer to these individuals as volunteers, not as casual or part time employees.

When it comes to applying for the tax credit however, departments are challenged to produce the appropriate paperwork and the volunteer firefighter may be discouraged from applying for the tax credit or applying and facing audit possibilities. Honoraria, models of pay on call and other forms of

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remuneration, which would not be considered a liveable wage are also areas of concern for volunteer firefighters applying for the credit.

Our recommendation to address this issue would be to modernize the definition of volunteer firefighter to include the definition prescribed by the department and/or the province; to increase the amount of the tax credit, and in some cases, to forgive the income associated with the volunteer position.

In the next few months, the CAFC will be preparing a position paper that further explores these issues. However, we felt it was important to flag this immediately considering the upcoming tax season and any considerations in Federal Budget 2021. We would like to thank you for considering our views and as well as for your leadership at this very difficult time.

Sincerely,

John McKearney
CAFC President & Whistler Fire Chief
CC: CAFC Board of Directors.   Enclosure: Prebudget Brief

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