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The Patriarchal Bias of the Income Tax in Canada

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Abstract

The majority of Canadian families have two income earners. Yet the tax system continues to uphold the patriarchal, heterosexual family model based on the sexual division of labour which treats the husband as the breadwinner and the wife as the economically dependent full-time homemaker. Whilst married couples do not file a joint tax return, the Canadian tax system contains a number of features that allow a married couple specific tax benefits. These reveal the patriarchal bias of the tax system. This paper explores them and argues for the ending of all tax breaks on the basis of sex, marital or family status in the interest of sex and marital status equality.

Marriage and the Tax System

Canada introduced its first Personal Income Tax Act in 1917, when the need to increase government revenues to finance the war effort make such a step inevitable. In spite of the fact that the individual was then and is still today the basic tax unit, the personal income tax system had from the beginning a definite bias for the patriarchal, nuclear form of the family in which women are economically dependent on men.[1] Yet this bias is not immediately apparent since it would appear on the surface that women and men are treated as separate and independent income tax payers, whether they are married, and/or have family responsibilities or not.

By contrast, in the United States married couples are given the option of filing a joint return which is aimed at letting them pay less taxes than they would pay if assessed separately. In Canada the income tax system provides tax payers who live in a legally validated marital relationship with a number of tax exemptions, deductions and spousal transfer arrangements. These tax concessions allow married individuals whose income is large enough to make full use of these considerable tax reductions. The beneficiaries of most concessions are men who are likely to be the higher-income spouse because of the existing unequal income distribution pattern between men and women. It would almost seem as if the marriage related tax breaks were specifically designed to allow high-income men to use their marital status to reduce their tax burden and to treat their dependent wives as tax shelters.

Whilst it is not difficult to expose the specific bias of the personal income tax for the patriarchal, nuclear family, as we will see later, it is quite a different matter to demonstrate its gender bias in favour of men. The Personal Income Tax Act after all does not insist that the higher-

income spouse be male. Some people might even want to argue that the various ways by which taxpayers are able to reduce their taxable income in relation to their marital or family status are in fact gender neutral because they can be claimed by both women and men. Such a contention ignores, however, the fact that in Canada today the economic, political and social power is still predominantly in the hands of men;[2] and that there is still widespread disagreement as to the seemingly unreconcilable role of women as producers in the work force and as reproducers of the future generation and caregivers in the home.[3] The reality is that women earn on average 40% less than men. This means that whilst they are in principle able to use the same tax shelters as men if their incomes were high enough to do so, their lower earnings and their domestic responsibilities make them the dependents of men.

Women's Dual Role as Paid and Unpaid Workers

In this sense the existing gender inequalities of the tax system have to be considered as reflections of the inequalities of the earnings structure which discriminates not only between gender groups but also within them. The interplay of the gender division of labour and class relations raises two conceptual and practical problems which are particularly significant in relation to the operation of the tax system. These are firstly, the relationship between people as individuals and as family members within class relations as reflected by the marginally progressive income tax structure; and secondly, the relationship of the domestic labour of housewives to the relations of production and its recognition by the tax system. The current tax convention is to define the class position of married women in the home as dependents of their husbands and to treat domestic labour as the privatized production of use-values consumed by the family.[4,5] So far, this interpenetration between the role of women as income earners and their role as household producers has largely been ignored by the tax system and has led to the particularly serious discrimination of women employed in part-time work.

In 1983, 20% of the work force in Canada were part-time workers, those working under 30 hours a week; and 72% of these were women.[6] More often than not, their earnings are so low that they could not even take advantage of the most standard tax deductions and use the tax shelters that are so beneficial to higher-income earners. Part-time workers very often do not qualify for coverage by the social insurance programmes and cannot use the premium deduction through the income tax to buy themselves even a modicum of social security. In this way they lose out twice, as low income earners and as taxpayers who cannot benefit from the tax system.

But the tax system does much more than ignore the double role of married women and female parents in Canada today. Women in this double role have become a majority. In 1980, 62% of all married women and 50% of mothers with children under the age of six worked for pay. This means that the majority of families have two income earners now.[7] Yet the tax system continues to operate as if these social changes in families had not occurred. It still upholds the traditional gender division of labour and the patriarchal, heterosexual family model where the husband is the breadwinner and the wife the full-time homemaker, who is to be his dependent because she has little or no income of her own. As a result, in a majority of all husband-wife families, marriage to a dependent wife has to be considered a primary tax shelter for husbands in high-income brackets.

Transferrable Tax Deductions Between Spouses

Marriage allows a number of specific tax benefits. Whilst in Canada married couples do not file joint tax returns, as in the U.S. and other Western countries that allow them to pay less taxes than they would pay as two separate indivi-

duals, the transferrable deductions between spouses under the Canadian Income Tax Act serve basically the same purpose. Thus one spouse can claim all or part of the other spouse's available deductions from interests and dividends from Canadian corporations, the age exemption, the disability as well as the education deduction. This becomes possible only if one spouse has no taxable income in the first place or has been able to reduce his or her taxable income to zero without exhausting the available deductions. If both marital partners still owe taxes after having used all available deductions, there is nothing left to transfer.

A substantial tax saving occurs when one spouse can take over all interests and dividends earned by the other spouse in a particular year. This is possible if the spouse's net income, for instance in the tax year 1985, was not over $510.00. Thus the spouse filing the tax return can claim not only the maximum married exemption of $3,630 but also benefit from the favoured tax treatment given Canadian dividends. Contributing to a low-income-earning spouse's Registered Retirement Savings Plan provides further immediate tax savings, and at the same time gives a couple a chance to provide for their financial security in old age through the use of tax deductions. Whilst this is a form of tax evasion for many husbands in high-income brackets, it also provides their wives with an income in their retirement years even in the event of a divorce since the RRSP becomes the property of the spouse in whose name it was opened. The spouse's federal tax reduction which has been cut back from $200 for the tax year 1984 to $100 in 1985 again is particularly useful for the breadwinner-homemaker couple. It benefits couples in the lower taxable income brackets the most. A spouse with a taxable income of $1,430 and over in 1985 could no longer claim this tax reduction.[8]

The education deduction of $50 a month for the time a dependent spouse was attending full-time a designated educational institution or enrolled in a qualifying educational programme can also be claimed for a dependent child.

These transferrable deductions allow considerable tax savings for married individuals whose taxable income is such that they can make full use of them. The range of tax deductions, all highly regressive as will be shown later, attach special tax savings to marital status. On the whole they are not useful to a couple who both hold jobs unless one spouse is in a much higher income bracket than the other. But they can make a signficant difference in situations where one spouse is a full-time homemaker or perhaps a university student with little or no income. In the case of one-income couples they, therefore, have to be considered to operate to a certain extent as a work disincentive for the lower-income spouse. In the majority of cases this would be the woman because of the structural disadvantages women have to face in employment policies and pay rates in the labour market. The income tax system only compounds the problem by treating women as the dependents of men, and therefore a tax liability which warrants a tax exemption.

The Marital Exemption

For one-income couples the marital tax exemption, because of its size, constitutes the most generous and beneficial tax shelter. But it is also one of the most controversial tax deductions since it specifically supports the full-time homemaker role, and therefore, implicitly the economic dependency of women on men. The married exemption signals to Canadians that their government is only willing to recognize and support the dependent homemaker role within legally validated marriage, whilst refusing to do so in the case of homosexual couples, and those living in a common-law relationship. If this was not the case, there would not be any reason to deny this tax privilege to couples not living in a marital relationship. The same argument can be made

in relation to the claim that the married exemption specifically recognizes the value of domestic labour. The value of housework of the dependent partner in a homosexual or common-law relationship most certainly also deserves recognition by the tax system. This kind of differentiation between couples would seem to support the married exemption as the symbol of the state's endorsement of both the patriarchal family model and the recognition of the value of married women's domestic labour alone.

This certainly seems to be the position of R.E.A.L. Women of Canada, an organization claiming to speak for homemakers concerned with the preservation of traditional family values and the patriarchal family model. According to a recent article in Chatelaine[9], it was Judy Erola's suggestion, as the Federal Minister Responsible for the Status of Women, to eliminate the married exemption in favour of increased government aid for child-care expenses that lead to the emergence of this group. Their objections are that increased child-care expense deductions would encourage more women to seek employment outside the home, and that such a development would further undermine the recognition of the role and the value of the homemaker. It is for this reason that they vehemently insist that their husbands are entitled to the married exemption in recognition of the value of domestic labour which they contribute to their families' overall standard of living. Yet it seems surely ironic that women's domestic labour would gain recognition by giving their husbands more money.

The Nature of Tax Exemptions

To insist that the married exemption is an appropriate form to recognize the value of domestic labour seem questionable. There cannot be any doubt that domestic labour is absolutely essential to carry out the important part of the reproduction and maintenance of the present and future labour force, and thus benefits the well-being of the family in general. But if women's work in the home constitutes a benefit to the family, why should they then be considered a tax liability which entitles their husbands to a tax deduction? Far from recognizing women's contributions to the material circumstances of families through their domestic labour, the married exemption seems to ignore it by identifying homemakers as dependents and thus as burdens on their husbands.

A completely different view on the social valuation of housework from that of R.E.A.L. Women has been put forward by Louise Dulude, who described the married exemption as "relic of the early days of the tax system, when the value of a homemaker's work was considered to be so low that a wife at home was understood by all to be a burden rather than an asset to the family."[10] The difference in these points of view hinges not so much on a differentiation in the valuation of domestic labour but on the nature of tax exemptions. The meaning of the claims for personal income tax exemptions have to be clearly understood. They are granted by governments to reduce the taxable income of tax payers in recognition of the financial costs incurred to support dependents or to offset other socially accepted contingencies such as reduced income in old age, or the special expenses of the blind and the disabled confined to a bed or a wheelchair. Women who contribute by their domestic labour to the material and emotional well-being of their families hardly fall into any of these categories and therefore cannot be seen as tax liabilities.

Furthermore, tax exemptions are far from being a progressive, equitable tax instrument. They always have a greater cash value for higher income groups than for those with a lower income. This is because they reduce taxable income in proportion with the increases in the marginal tax rate by income brackets. The wife of a taxpayer in the 50% tax bracket is, therefore, worth more to him in tax savings than the wife

of a man whose income is taxed at a 30% tax rate. This would mean that the domestic labour of the wife of the higher-income earner is valued more by the tax system than that of the wife of the husband with the lower income. Such a differentiation seems hardly fair, particularly in the case of housewives who are able to hire domestic help and pay another women to do the work, while their husbands are still able to claim the married exemption.

The Equivalent-To-Married Exemption

In spite of its name, the equivalent-to-married exemption is really a child-related tax deduction. It recognizes the special financial needs of single parents who can claim it for one child instead of, but not in addition to, the considerably lower child tax exemption. It specifically recognizes the financial burden of a mother or father who has to assume a double parenting role. If there are more children in the family, ranging perhaps from 13 to 19, it is more advantageous to claim the equivalent-to-married exemption for the younger child to be able to also use the larger tax exemption for a dependent child over the age of 18. The equivalent-to-married exemption is not limited to children alone, but can be claimed for other dependent relations by blood, marriage or adoption. The exemption is reduced in accordance with the dependent's net income. Its partriarchal bias becomes clearly apparent in the restrictions that specify claims. It cannot be claimed if the mother is supported by another person and, therefore, is not considered the main provider for the child.

The Elimination of the Married Exemption

Judy Erola's suggestion of dropping or at least reducing the married exemption was not new. It had been advanced by the 1970 Royal Commission on the Status of Women not to disparage the role of homemaking but to enhance it. The Commission based their recommendation on their position that women engaged in supplying services to their families should not be considered as a dependent class which reduce the taxable capacity of their husbands but in fact enhance it.[11]

Theory of the Imputed Value of Housework

According to the theory of imputed income, developed by Douglas G. Hartle, the "provision of housekeeping services to oneself and one's family adds to the tax capacity of the individual or family just as the sale of labour services for cash adds to taxable capacity."[12] To arrive at the imputed value of housekeeping services, Hartle proposed a weighing of the estimated costs of purchasing housekeeping services in the market against the foregone cash income of women who remain outside the work force. The first part of his calculation would mean that the value of domestic labour could be measured by how much it would cost to replace the unpaid labour of the full-time housewife by a paid worker. It is the second part of his formula that seems problematic, since how much a woman can earn in the labour market depends not only on the supply and demand of labour, but also on the strength of collective bargaining, traditional and conventional income differentials and other intractable factors. Whilst the theory of imputed income, therefore, is only of limited usefulness to arrive at the monetary value of domestic labour, it is certainly a helpful conceptual tool to recognize the important contribution women make to the well-being of their families. Furthermore, once it has been accepted that domestic labour indeed has economic value, it is hardly possible to continue considering housewives a tax liability which should be recognized by the state in the form of a tax deduction.

The Inclusion of the Homemakers into the C/QPP

Proposals for the inclusion of homemakers into the C/QPP is a fiscal as well as a social welfare issue, since it raises the question as to

who is to pay for the coverage of homemakers. Proponents of a homemaker pension claim that it is the most logical step to recognize the value of domestic labour. The Parliamentary Task Force on Pension Reform in its December 1983 Report rationalized its recommendation for the inclusion of homemakers into the Canada/Quebec Pension Plan by arguing that "women who run a household, care for children, husbands and other relatives - do work that has real economic value. The work of homemakers has been ignored for too long; they deserve pensions in their own right."[13] Entitlement to the homemaker pension as outlined by the Task Force Report would represent certain anomalies in the assessment of the economic value of homemaking. Thus, only full-time homemakers and those earning less than half the average wage of $11,400 in 1984 would qualify for the homemakers pension.[14] By implication, the homemaking services of workforce participants earning more than that amount would go unrecognized. There is overwhelming evidence that household chores are not equally shared among two-income couples and that wives in paid employment continue to do the bulk of domestic labour.[15] The National Council of Welfare, therefore, asked quite correctly why homemaker services provided by those who do not fit the Task Force definition should go unrecognized, if the purpose of the pension is to establish the economic value of domestic labour.[16]

The Price of Labour

The confusion over the unpaid value of domestic labour is related to the general misunderstanding of the price of paid labour in the production process. Workers who have to depend on their ability to sell their labour power in order to make a living, sell it for a certain amount of time, i.e., the work day, in return for an income. However, for capital to make a profit, workers are paid only for that part of the work day that will cover the costs to feed, dress and house them and reproduce the next generation of workers. Thus the price of labour is measured by the costs of reproduction. The remaining hours of the workday for which workers are not paid, are appropriated by capital as profit. Women's labour which frees men from having to provide housekeeping services for themselves and from having to take care of children reduces the costs of reproduction and, therefore, the price of labour. "Housework, as it is currently organized," wrote Nancy Chodorow, "creates greater profits, since direct market payments for all of a worker's physical requirements and for daycare is unquestionably more expensive than the marginal addition to a worker's salary to support this family."[17]

Existing income levels, therefore, reflect not only the value of productive labour performed in the work force, but also the value of reproductive labour in the home. The productive and reproductive division of labour between men and women makes marriage an economic partnership, and the income paid to one is in fact an income earned by both. It should be pointed out here that this type of economic partnership only applies to the breadwinner-homemaker relationships since the domestic labour of the homemaker which breadwinners otherwise would have to perform themselves, increases their productive capacity. The same argument can be applied to the private and public pension benefits accumulated by the spouse in paid employment. These benefits again are jointly earned by the couple through the labour of one partner in the production process and the other partner in the reproduction process. This means, of course, that income and pension benefits, because they are earned by both, should belong to both. Demands for the splitting of all assets including pension entitlements acquired by the couple during their married life are based on this kind of reasoning. If domestic labour was recognized in this way, full-time homemakers would be included automatically into the C/QPP. The automatic splitting of pension entitlements between spouses seems a more equitable way to recognize that they were accumulated through

the joint labour of both spouses. In this way the discounting of the value of domestic labour performed by women in paid employment with earnings above the average income level could thus be avoided.

Different Options

Another way of solving the issue of domestic labour would be to separate the child-rearing and care-taking tasks for dependent disabled adults as a social service from the homemaking services of one spouse for another as a private service. Margrit Eichler, for instance, has argued that the provider of a social service should qualify for social benefits, but "no benefits should be transferred to a family with a dependent spouse provided both spouses are mentally and physically fit."[18] The French government recognized the importance of child-rearing as a social contribution in 1938 in its *code famiale*. One-income families are paid an income-related child-raising allowance, known as salaire unique, which is reduced when there is only one school aged child in the family and peters out when all children have left school.[19] In Britain people qualify for a special allowance if they care for a severely disabled child or adult family member. In both countries these benefits are provided through the social security system and not by the tax system.

In Canada the social significance of child-rearing has been given recognition by the drop-out provision in the calculations for pension entitlements under the Canada/Quebec Pension Plan. This provision should be extended to those caring for a severely disabled adult. The introduction of the drop-out clause is based on the expectation that care-givers will eventually return to the work force in order to build up their own pension entitlements. This is a realistic expectation in relation to child-rearing obligations, but may be quite impossible for those providing care for a disabled person. The special needs of such a person may require permanent care and the care-giver, therefore, may not be able to return to the work force. Since these care-givers are providing a service that benefits society as a whole, they could be paid a special care allowance with an option to pay the allowance into the Canada/Quebec Pension Plan. Such a provision would provide them with income security in old age.

The Child Care Exemption

The personal income tax gives limited recognition to the fact that in approximately 60% of all families both husband and wife are in the work force. The child care exemption partially compensates the costs of child care for parents who need it in order to earn an income from employment, self-employment, training courses, research or similar kind of work. In the past only women could claim the child care exemption. When this obvious gender bias was finally removed, certain qualifications were introduced which ensured that women as the lower income partner in a marital relationship have to claim it. To be eligible a women has to meet certain conditions: (a) be a single parent without a supporting person, i.e., a husband, or (b) her income has to be less than her husband's, or (c) if her income is greater than that of her husband's, child expenses have to have occurred in a period in which (i) she lived for at least three months apart from her husband, because of a family break-up or (ii) the husband was attending an educational institution, or (iii) the husband was inflicted with an infirmity, had to serve a prison term or was confined to an institution for at least two weeks. The maximum child care deduction is $2,000 per child with a maximum of $8,000 per family or up to 2/3 of the claimant's income, whatever is the least amount. Given the real costs of day care, this deduction seems woefully inadequate. The tax systems fails to recognize the importance of child-care expenses to working mothers.

Since eligibility for the child care deduction is based on the income of the claimant, it can be

claimed by students holding a scholarship or receiving a bursary, but not by regular students without an income. This is clearly an inequitable situation for mothers wishing to upgrade their marketable skills through education. A possible alternative solution would be to treat the child care deduction as a child tax credit. Its focus would shift then from the income of the claimant to the actual costs of child care outside the home, and this, of course, is precisely where the focus should be.

Tax Differential between One- and Two-Income Couples

During its hearings, the Royal Commission on the Status of Women[21] had received a number of briefs arguing that the tax system was discriminating unfairly against married women in the work force. The focus of their criticism was the dollar for dollar reduction of the married exemption for husbands whose wives earned more than $250 but less than $1,200, or in 1985 figures, more than $510 but not more than $4,140. The married exemption is reduced by every dollar earned by the dependent spouse during that year, and is totally eliminated when the net earnings exceed the amount of the tax exemption. At that point dependent spouses have to file their own income tax return. A substantial reduction of the married exemption can mean a considerable tax increase for husbands in the upper tax brackets. This led the Royal Commission on the Status of Women (1970) to conclude that this sharp deduction rate might act as a work disincentive for women whose earning power was limited.[22]

The Royal Commission on Taxation (1966) had not shared this concern.[23] Their particular focus had been the overtaxing of taxpayers with dependent children compared to childless couples if in both situations the wife is treated by the tax system as a dependent spouse. The tax exemption for children under 18 is $710 for the tax year 1985 and $1,420 for children over 18 years of age whose income was not more than $2,720. If the children earn an income the tax exemption is reduced in the same way as the married exemption. So far there has been little concern that the dollar for dollar reduction of the exemption might act as a work disincentive for youth. This difference in public interest between the marital and the child tax exemption may well be related to the difference in size between the two exemptions. They are clearly wrongly apportioned in size and purpose for the higher value is attached to the wife, who provides services to the family, instead of to the child, who requires service.

This was the opinion of the Royal Commission on Taxation which recommended a substantial reduction of the married exemption and a corresponding increase in the child tax exemption. This option has not found any support in government circles nor among the general public. In fact, in its recent consultation paper, Child and Elderly Benefits, the Conservative Government of Brian Mulroney is proposing in its two options to restructure the three federal child benefit programmes: family allowances, the child tax credit and the child tax exemption, to phase out the latter completely or to reduce it by $500 to $210 a year.[24] This step would, of course, only further increase the tax burden of parents, many of whom are single women, in comparison to childless couples and individuals, if there is not an offsetting increase in the other two child benefits. Thus it would seem that maintaining the married exemption and abolishing or reducing the child tax exemption would make marriage appear to be socially more valuable than raising a child.[25] In the May 1985 budget the federal government restructured the existing child benefits. The child tax exemption of $710 a year for children under the age of 18 is to be gradually reduced from 1987 to 1989 when it will have equal value with family allowances and remain at that value. Whilst this measure has been greeted as a progressive step favouring low-income parents, it still maintains to a lesser degree the regressive principle of tax exemp-

tions. Family allowance increases were restricted to the annual inflation rate above 3% which meant an increase of 31 cents per monthly cheque per child in January 1986 instead of an increase of $1.40 had family allowances remained fully indexed. The refundable child tax credit will increase by $75 per child in 1986 and $35 in each of the following years until 1989 to offset the reductions in the two other child benefits. Still, low-income parents would be better off in 1989 had the "unfair" previous benefits remained in place. A one-income family with an income of $20,000 a year and two children loses $78 income in child benefits under the restructured benefit system. It took real ingenuity on the part of the federal government to actually pay less child benefits while claiming to have made the child benefit system more equitable.

Family Taxation

The Canadian tax system is generally assumed to operate on the principles of horizontal and vertical equity. This means that tax payers with the same income should be treated equally by the tax system. The Royal Commission on Taxation had raised the question whether the same tax liability should apply to two-income couples, two single individuals and one-income couples with the same income. The Commission showed that the tax system based on the individual as the basic tax unit favoured two-income couples over the one-income couples, and argued that this offended the principle of horizontial equity because the family's total ability to pay taxes rather than that of individual family members should be taken into account when assessing tax liability. It, therefore, recommended that the family should become the basic tax unit. The Royal Commission on the Status of Women supported this proposal on the basis of Hartle's theory of imputed income mentioned earlier and its belief that this would mean the recognition of the contributions made by mothers and wives in the home.[26] By doing this the Royal Commission on the Status of Women seemed to recognize that women and men occupy different spheres of social life and pressed for a proper appreciation of women's work and their responsibility for domestic labour. But with more and more women combining their domestic responsibilities with paid employment, such considerations seem today curiously out of date. Women and men increasingly occupy the same spheres of social life. Sooner or later, the tax system will have to recognize the dual responsibility of women in the home and in the work force.

Furthermore, comparing the contributions to GNP (the volume of all commodities and services provided in the economy) by two income earners with the contribution of one income earner, and keeping in mind that the woman in the work force also performs domestic labour, it is difficult to maintain that two people earning an income, even if they live together, should be treated by the tax system in the same way as one person whose income is the same as theirs. These three income earners differ not only in their work-related expenses, but also in inconveniences associated with the wife assuming a double workload. When a woman chooses paid employment over domestic labour, she incurs opportunity costs of holding a job such as job-related expenses, autonomy lost, and risks and worries gained.[27]

There are other expenses as well. If the couple do not work in the same place, their transportation costs to their respective places of work are higher than the costs of the one-income earner. Both of them will have to pay unemployment and Canada/Quebec social insurance contributions. The single income earner's contributions do not only buy pension coverage for himself but also a survivor's pension for his dependent spouse and children. The two-income couple thus subsidize the spouse of the one-income earner. In 1978 the National Council of Welfare found that a woman and a man earning $12,000 and $20,000 respectively were paying jointly a net contribution (after tax deductions) $231.20

into the C/QPP. This entitled each of them to full pension entitlement. A married man with an income of $50,000, on the other hand, only paid $81.49 in net contributions to be entitled to full pension entitlements for himself and 60% for his wife, if she survives him.[28]

Yet, in spite of the obvious bias of the tax system in favour of the legally married couple and the unfair treatment of couples with children compared to childless couples as a result of the larger married exemption than the child exemption, there is sufficient pressure to increase the existing tax discrimination on the basis of marital or family status even further. Efforts for the inclusion of full-time homemakers into the C/QPP and its inequitable financing mechanism, are a clear indication that the tax system could be used to further increase support for the patriarchal form of the family even more at the expense of women carrying a double work-load. To argue in favour of family taxation and for a family orientation in relation to income from work-related social insurance benefits presupposes that the work of the wife in the work force is valued and recognized as little as the domestic work of the full-time homemaker. In this way, women carrying a double workload in the work force and in the home would lose twice.

Other Forms of Family Taxation

The prevalent system of individual taxation in Canada has been given a family focus in relation to child support payments from a single, separated or divorced spouse to the custodial parent and the refundable child tax credit which is based on net family income. Child support payments are considered taxable income for the custodial parent but provide a tax deduction for the parent making the payment, usually the father of the child. Thus the mother is taxed on that portion of the father's income which is tax deductable for him. The mother as the custodial parent who carries the actual child care and support expenses is not granted such tax privileges, nor are two-parent families.

It is hard to conceive of a rational explanation for this differential treatment of parents by the tax system. What does this tell us about parents' responsibility for the material support of their children? According to the principles of the Ontario Law Reform Act, children are the mutual responsibility of both their parents. If this is indeed the case, why does the tax system allow the responsibility of the absent parent to become a tax deduction and treat child support payments as income for the custodial parent? The winner is the absent parent who can substantially reduce his tax load in this way if he is a high-income earner, and the losers are the children and their mothers for whom the value of their fathers' support payments is reduced in accordance with the marginal tax rate of the income bracket of their mothers. Thus middle- and high-income women are affected by this more severely than low-income women. Furthermore, the tax system treats child support payments by one parent to the other as family income. Thus the most blatant form of family income taxation affects separated families.

Eligibility for the refundable child tax credit is also based on a declaration of joint spousal income. So far, there has been little criticism of this requirement. Whilst most income tested income support programmes have a low take-up rate, according to government officials in Ottawa the take-up rate for the refundable child tax credit is 92%. Major reasons for a low take-up rate of income support programmes have been associated with people's ignorance of their rights, costs related to submitting a claim and fear of stigma. In the case of the refundable child tax credit, it may also be the resistance of one spouse to disclose his or her income to the other. This would be particularly relevant in the situation of an alcoholic husband and a wife engaged in part-time work. She may be hiding the extent of the hours she is working so he cannot take money

from her she needs to cover household expenses and meet the needs of the children. It may also present problems for women whose husbands have a high income but do not share it with their family. Since the tax credit is paid to her, the more he earns the less cash she will receive and thus the material situation of the children will not improve. It is interesting to speculate for what reasons 8% of families who would have qualified for the tax credit did not apply for it. Yet, in spite of all its shortcomings, the refundable child tax credit has one specific advantage for custodial parents living in a common law relationship. Eligibility for the tax credit is based on their income alone which includes the child support payments, if any, from the absent parent.

Conclusions

To overcome the inherent patriarchal and gender bias of the Canadian tax system, all tax deductions on the basis of sex, marital or family status will have to be removed.[29] This will require a far reaching tax reform based on the principles of progressivity and equity.[30] A restructured progressive tax system would place the tax burden on those most able to afford it. But progressivity alone is not enough. The treatment of women as the dependents of men has to be ended in the interest of gender equality, and marital status should no longer warrant any tax breaks. This means the elimination of the marital tax exemption and all other marriage related tax deductions. Yet, if justice demands gender and marital status equality, it must also insist on the recognition of the taking care of children and of physically or mentally disabled persons as a service that benefits society as a whole. Thus, the demands for tax reform, for a fair and equitable system of raising taxes have to be linked with demands for a direct provisions of a special allowances to parents and care-givers to the disabled. To overcome resistance to such drastic changes to the tax system, the government in Ottawa will have to integrate child and care-giver allowances with progressive tax measures. The political challenge is to convince ordinary Canadians to press for such change.

NOTES

1. I am using the term patriarchal in the contemporary feminist sense to refer to the dominating power of males imbued with masculine values over the rest of society. See Zillah R. Eisenstein, ed., *Capitalist Patriarchy and the Case for Socialist Feminism*, New York, Monthly Review Press, 1979.
2. Kate Millet, *Sexual Politics*, New York, Ballatine Books, 1969, p. 34.
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30. With the onslaught on universal programmes by the Conservative Government there seems to have occurred a renewed interest in the necessity of tax reform. See Report by the House of Commons Standing Committee on Health, Welfare and Social Affairs.