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No 'friendly' breaks for families in federal budget

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Dave Pariseau understands these are frugal times.

The 39-year-old husband and father keeps a close watch on his own spending and certainly didn't expect to see a round of sweeping tax cuts or a flurry of spending promises in Thursday's federal budget.

But Pariseau, a salesman for a local flooring company, admits he's disappointed to find little in the way of "family friendly" breaks for ordinary taxpayers.

"There is a lot of talk about stimulating the economy, but I don't see any incentives for me or my family," he said Thursday afternoon.

The Harper government refrained from imposing any significant personal tax increases in its fiscal blueprint, opting instead to hold the line or plug a handful of tax loopholes.

But for some Calgary families like the Pariseaus, this year's budget offered little to get excited about.

"There are few provisions for tax breaks. If anything, it's 'stay the course.' That's the major message," said John Hutson, a tax specialist with Deloitte and Touche.

There was nothing in the magnitude of last year's pledge of \$3.2 billion in personal income tax relief, agreed Kevin Dancey, CEO of the Canadian Institute of Chartered Accountants.

And the Conservatives did not reinstate their 2009 home renovation tax credit or roll out a new savings program like the Tax Free Savings Account.

"Families understand that there's just not a lot of fiscal room right now and it's important to get the deficit under control," Dancey said.

"I guess the good news for the average family is at least they didn't raise taxes."

Ottawa has pledged to all but balance the budget by 2015, when the deficit is expected to fall to \$1.8 billion. In his speech Thursday, Finance Minister Jim Flaherty said big new government programs would "jeopardize our recovery and our long-term growth."

But Pariseau still believes it was short-sighted for the government to pull the plug on its popular home renovation tax credit, which allowed Canadians to claim 15 per cent of renovations that cost between \$1,000 and \$10,000.

He also doesn't understand why the Tories continue to offer the universal child care benefit only to children under the age of six, noting his daughter, Sarah, just hit that marker.

"Most people would like to see this extended. The assumption is that after age six, all children are in school and don't need any sort of child care. That's just not true," he said.

However, for single-parent families, Thursday's budget included a welcome break when it comes to the taxable \$100-a-month subsidy.

Under new changes, a single parent can claim the benefit in their own income or that of a dependant, effectively cutting taxes for each child by up to \$168 annually.

It's money that single mother Cathy Penner could certainly use to help stretch her household budget.

With three kids under the age of seven, the Dover Glen resident and small business owner is eager to start socking away money for their RESPs and says every little tax break helps if it covers off her day-to-day expenses.

"You have a budget you have to live by and it's important to have shelter over your head and food in the cupboard," she said. "You've got to have that before you do any leisure."

The Institute of Marriage and Family Canada applauded the changes to the universal child care benefit tax regime, saying single-parent families were previously "unfairly penalized through an excessive tax clawback."

Also in the budget, the government announced it would save \$2.5 billion over five years by closing a handful of tax loopholes and breaks.

The budget ushers in new rules that will prevent employee stock options, in some cases, from escaping taxation at both the personal and corporate level.