



Carpenters' District Council of Ontario

United Brotherhood of Carpenters & Joiners of America

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Every year, Canadians contribute to their communities by paying their taxes. The money we pay builds the neighbourhoods we live in and takes care of the people around us. However, every year many construction contractors and builders selfishly and criminally refuse to pay their fair share.

According to the Ontario Construction Secretariat, our governments lose up to \$3.1 billion dollars in revenue each year due to construction contractors not paying their fair share of taxes. For Canadian District Vice-President, UBC, Jason Rowe, this is unacceptable. "There are contractors out there every day stealing tax dollars, lining their pockets, on the back of Canadians". For governments at every level, finding the required financial resources is key to our ongoing ability to deliver much-needed healthcare, education and infrastructure investments. Stamping out tax fraud in construction is a crucial tool in enabling us to collect such financial resources.

Tax fraud within the construction industry often comes from the intentional misclassification of workers as "independent contractors", lowering the general contractor's income and payroll tax responsibilities and allowing them to avoid certain CPP, EI, and WSIB contributions. By cheating the system, employers that improperly avoid paying taxes can gain an unfair advantage over industry competitors. This goes on with every trade across the entire industry and detrimentally grows the underground economy.

It is sometimes assumed that practices like misclassifying workers or paying cash for home renovations are "victimless crimes" but workers vanishing into the "grey economy" has led, in the worst cases, to human trafficking and serious disregard for the basic health and safety of workers. They can often be cheated out of their pay and forced to work long hours, under horrendous conditions, at jobsites that simply are not safe.

The Carpenters' Union believes the implementation and enforcement of a "fair wage" policy by both the Ontario and the federal government should be the first step in tackling this problem. The City of Toronto adopted this policy over 100 years ago to ensure their workers were not discriminated against by contractors failing to pay fair hourly wages, vacation and holiday pay, along with certain basic benefits. "We need to consult and work with government", says Tony Iannuzzi, Executive Secretary Treasurer, CDCO. "I truly believe this is the time to really focus on tax fraud".

The Carpenters' District Council of Ontario is leading the way against Tax Fraud in the construction industry and will be promoting Tax Fraud Days of Action from April 11-16, 2022. With a long economic recovery ahead, it is important that contractors pay their fair share, to ensure critical infrastructure continues to be built, and our economy comes back stronger.

For more information, please visit: www.notaxfraud.com & www.stoptaxfraud.net

For more information, please feel free to contact:

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