

# NEWS RELEASE

## Quebec government spent nearly \$80 billion on corporate welfare from 2007 to 2019

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For immediate release

**VANCOUVER**—The Quebec government spent \$79.6 billion (inflation-adjusted) subsidizing businesses over a 13-year period, finds a new study released today by the Fraser Institute, an independent, non-partisan, Canadian public policy think-tank.

“These subsidies for businesses—also known as corporate welfare—come with huge costs to government budgets and taxpayers while doing little if anything to stimulate economic growth,” said Tegan Hill, economist at the Fraser Institute and co-author of *The Cost of Business Subsidies in Canada*.

(In the study, business subsidies include unrequited government transfers to businesses but exclude other forms of government support such as loan guarantees and direct investment.)

Quebec government spending on business subsidies increased (after adjusting for inflation) from \$6.3 billion in 2007 to \$7.2 billion in 2019 (the latest year of available pre-COVID data).

In fact, over the 13-year period, the Quebec government (on average) spent more on corporate welfare than it received in provincial corporate income tax revenue annually, which means the government could have effectively eliminated the province’s business income taxes if it had ended corporate welfare.

Finally, during the 13-year period, on a per-tax filer basis, all governments—federal, provincial and local—spent more on corporate welfare in Quebec (\$18,334) than any other province (except Saskatchewan).

“Rather than give preferential treatment to certain companies and industries, the Quebec government should reduce business income taxes and help foster a pro-economic growth environment that gives all businesses the opportunity and incentives to succeed,” Hill said.

(30)

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