

# Why Religious Tax Exemptions Benefit All Canadians

Mike Wood Daly | November 2024

## Key Points

- A religious congregation's "Halo Effect" is the dollar value of its socio-economic contribution to society.
- As registered charities, religious congregations are usually exempt from paying property tax, income tax, and GST/HST. They are also able to issue charitable tax receipts for donations received, which donors can use to reduce their own taxes owing.
- The Halo Effect, and the value of tax exemptions and credits, were calculated for sixty-four Christian congregations in Canada.
- The congregations' Halo Effect is 10.47 times the value of the tax exemptions and credits, on average. Put differently, the value of the tax exemptions and credits is less than one-tenth the value of what these congregations contribute socio-economically.
- The net-positive socio-economic contribution (Halo Effect, minus the value of tax exemptions and credits) of all religious congregations in Canada is an estimated \$16.5 billion.
- If religious congregations ceased being tax-exempt, their Halo Effect would likely decline. Since they would no longer be able to issue charitable tax receipts, their revenue would likely decline, and since they would need to start paying taxes, their funds available for other spending would likely decline also.
- If the congregations' Halo Effect declined by more than 10 percent, society would be worse off, socio-economically speaking, by removing the tax exemptions and credits.

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For the full publication, see Wood Daly, Mike. "Why Religious Tax Exemptions Benefit All Canadians." Cardus, 2024.  
<https://www.cardus.ca/research/spirited-citizenship/reports/why-religious-tax-exemptions-benefit-all-canadians>.