

January 29, 2016

The Honourable Bill Morneau
Minister of Finance
Department of Finance Canada
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fin.2016pbc-cpb2016.fin@canada.ca

The Honourable Jane Philpott
Minister of Health
Health Canada
Hon.Jane.Philpott@Canada.ca

Honourable Ministers,

Re: A tax credit for Canadians to offset radon mitigation costs

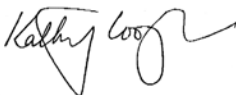
We write to draw your attention to the Green Budget Coalition's recommendation (excerpt attached) that the forthcoming budget amend the *Income Tax Act* to add a tax credit of up to \$3,000 available to individual Canadians for radon mitigation by experts certified by the Canadian National Radon Proficiency Program.

Radon is a known carcinogen. Approximately 3300 Canadians die every year from radon-induced lung cancer. Compared to other indoor pollutants, this number is orders of magnitude greater; as such, radon constitutes a significant public health concern. The federal government's National Radon Program has shown important leadership in multiple areas including valuable research and testing programs, updating the National Building Code, creating a Canadian certification program for radon mitigation professionals, and continuing to run extensive public outreach on the need to test homes for radon levels.

As the Green Budget Coalition recommends, a logical next step is providing financial assistance to Canadians when high radon levels are found. If all homes with radon above the federal guideline were mitigated, costs savings from prevented lung cancer deaths would reach over \$17 million annually. Mitigation involves diverting radon away from a foundation and can run between \$500 and \$3000 per house. This tax measure would be revenue neutral as it would be offset by increased tax revenues from businesses conducting radon remediation.

This move will send a strong signal to Canadians to take this health issue more seriously while helping to make radon mitigation affordable. We strongly urge you to support this measure.

Sincerely,



Kathleen Cooper
Senior Researcher



Theresa McClenaghan
Executive Director and Counsel



INDOOR AIR: TAX CREDIT FOR RADON REMEDIATION

The Green Budget Coalition recommends that the Department of Finance amend Division E of the Income Tax Act to add a tax credit of up to \$3,000 available to individual Canadians for radon mitigation by experts certified by the Canadian National Radon Proficiency Program where a three-month test indicates an indoor radon level above the Canadian radon guideline (currently 200 Bq/m³).

Investment required

Negligible.

Anticipated costs of this measure would be reduced income tax revenues (from using the tax credit) that could be largely offset by increased tax revenues from businesses conducting radon remediation.

Summary

Radon, a known carcinogen, is a naturally occurring radioactive gas arising from the decay of uranium in soil and rock. It is the second leading cause of lung cancer in Canada after smoking and is responsible for 16% of lung cancer deaths annually. Invisible, odourless, and tasteless, radon can only be detected via testing. The federal government's National Radon Program has shown important leadership in multiple areas related to radon testing, mitigation, and outreach, in particular with an aggressive campaign to encourage all homeowners in Canada to test for radon. A logical next step is providing financial assistance to Canadians when high radon levels are found. If all homes with radon above the federal guideline were mitigated, costs savings from prevented lung cancer deaths would reach over \$17 million annually.

Background and Rationale

Since 2008, Health Canada's National Radon Program has tested nearly 15,000 federal buildings and about 14,000 residences across Canada, added radon-protection measures to the National Building Code, undertaken research into radon testing and mitigation techniques, developed a Canadian certification program for radon mitigation professionals (the Canadian National Radon Proficiency Program), conducted extensive radon education and awareness programs, and repeatedly told Canadians that all homes should be tested for radon.

Surveys indicate that about 7% of homes in Canada (about 600,000 dwellings) have radon levels above the Canadian guideline of 200 Bq/m³ (becquerels per cubic metre, a measure of the number of radioactive disintegrations per second). While some areas are known to have high radon levels, including in parts of Manitoba, New Brunswick, Saskatchewan and the Yukon, radon is present in all homes at some level and high radon levels have been found in all provinces. Health Canada's cross-Canada survey indicates a need for all homes to be tested.

Help Canadians Take This Issue Seriously and Make Radon Mitigation Affordable

Health Canada has provided important leadership on radon policy and programs. While much new construction in Canada includes radon protection measures, radon can be a significant health risk in existing homes. Public uptake of Health Canada's message about the need for radon testing has been limited. A tax credit is a logical next step from the federal government and can send a strong signal to Canadians to take this issue seriously.

Homeowners Need Help to Offset the Costs of Radon Mitigation

Mitigation techniques to reduce indoor radon concentrations include sealing cracks and other openings in the foundation/floor, venting and/or Active Sub-Slab Depressurization (installation of a pipe and fan under the basement floor slab to vent radon from under the house preventing entry to the home). Typical mitigation costs range from \$500 to \$3,000. The federal government can help make radon mitigation affordable by adding radon mitigation as a tax credit under the Income Tax Act. While a permanent tax credit would be preferable, since even new housing stock may need to be remediated, a temporary five-year tax credit could incent many of the same benefits, and encourage more rapid action.

Contact

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