

Tax Collected on Legal Services and Legal Aid Funding 1997 - 2017

"I am pleased to say that in this budget the government, in taking a look at some of the more affluent areas of society, has made a conscious decision to place a levy on the billings of lawyers. As a member of that honourable profession, I am pleased to say that it is a welcome move. This government is saying that there will be a levy on lawyers' billings because lawyers have the ability to contribute to the taxation system. As much as that measure may be seen to be tough by members of my profession, in fairness we're also saying that we want to redirect government resources towards legal aid. The new tax on legal fees will go a long way to making sure that the working poor in this province, who have traditionally had difficulty getting access to lawyers, will now have a comprehensive legal aid system that will assist them in protecting their legal rights."

Moe Sihota,
BC, Legislative Assembly, *Official Report of Debates (Hansard)*, 20 (3 April 1992) (Hon. Moe Sihota).

"The province notionally gives the society \$82 million, but of course actually got \$8 million of that from the feds, which reduces the amount the province actually had to fork out by \$8 million. Then there's the fact that the society is having to operate in a way that allows its accumulated deficit to be reduced, in this case to the tune of almost \$6 million. What looks like a provincial grant of something like \$82 million to the Legal Services Society works out to be more like \$68 million of actual and accounted-for cost versus revenue to the province from the PST of something like \$83 million.

Someone who was less than kindly disposed to the provincial government would argue that the province has, in effect, profited to the tune of \$15 million from the legal aid system, in the sense that it has collected \$83 million from the clients of lawyers in British Columbia but has really only actually had to fork out something like \$68 million -- including both actual cash and the accounting for the impact of the accumulated deficit on the operational expenditures of the society of something like \$68 million. I'm sure we can quibble about the numbers, but the larger public policy question still remains. Isn't there something wrong with the government taking all this money from legal accounts as a result of a tax which was imposed, the justification of which was for legal aid, yet it doesn't actually really direct all of that revenue into the legal aid system?"

Geoff Plant
BC, Legislative Assembly, *Official Report of Debates (Hansard)*, 15 (11 May 2000) (Hon. Geoff Plant).

