



18 March 2025

The Honourable François-Philippe Champagne, P.C., M.P.
Minister of Finance
Department of Finance Canada
90 Elgin Street
Ottawa, Ontario K1A 0G5

House of Commons
Ottawa, Ontario K1A 0A6

Subject: Important Concerns Regarding Recommendations 429 and 430 on Charitable Status

Dear Minister,

As members of the Permanent Council of the Canadian Conference of Catholic Bishops (CCCCB), we begin by offering our congratulations on your recent appointment as Minister of Finance. To assist with your transition, we are writing to share information that was sent to your predecessor last week regarding our grave concerns about the proposed legislative changes to the eligibility criteria for charitable status, recommended by the Standing Committee on Finance (“Committee”) in its [Pre-Budget Consultations in Advance of the 2025 Budget](#) (“Report”). In particular, we wish to highlight the Report’s Recommendations 429 and 430, which would have severe and wide-ranging consequences on the charitable sector, including the millions of Canadians who rely on the targeted organizations for services and support.

The Catholic charitable sector in Canada, which is anchored by and includes dioceses and parishes across the country, comprises a wide range of community services and ministries, including foodbanks, soup kitchens, refugee resettlement programs, climate and social justice programs, daycares and schools, hospitals, long-term care homes and palliative care centres, to name but a few examples. These compassionate, purpose-driven, and accessible Catholic services are available to all Canadians, regardless of religious affiliation; these charities meet essential and sometimes complex social needs within communities nationwide. A recent study found that the cost of replacing the services offered by faith congregations in Canada is \$16.5 billion.¹ Simply put, places of worship provide benefits to society that radiate far beyond their congregations. For “every dollar that a congregation spends, the local community receives an average of \$3.39 in economic benefit.”²

The very existence of the kinds of Catholic charitable organizations and services listed above would be threatened by the implementation of Recommendations 429 and 430, which propose

¹ Wood Daly, Mike. 2024 “Why Religious Tax Exemptions Benefit All Canadians.” Cardus. 12 November 2024.
<https://www.cardus.ca/research/spirited-citizenship/reports/why-religious-tax-exemptions-benefit-all-canadians/>

² Ibid.

respectively to amend the *Income Tax Act* by no longer providing charitable status to “anti-abortion organizations” (cf. #429) and by removing “the privileged status of ‘advancement of religion’ as a charitable purpose” (cf. #430).

Recommendation 429 is open to broad interpretation and targets a subgroup within the charitable sector. It risks granting preferential treatment to organizations that align with a sitting government’s agenda rather than basing charitable status on established legal principles. Although the inspiration for this proposed policy is not explicit, it appears to be informed by the government’s intention to revoke the charitable status of “anti-abortion organizations that provide dishonest counselling.” Putting aside the questionable nature of the claim against so-called “anti-abortion organizations,” we have no objection to the necessity of transparency and accountability within the charitable sector. However, such requirements should not negatively prejudice charitable organizations that operate on the basis of valid moral positions which may diverge from those of a sitting government at any point in time.

Recommendation 430 threatens the very future of Canada’s entire charitable sector, as **40%** of all charitable organizations in Canada are faith based. To deprive faith-based organizations of charitable status would decrease donations, causing their revenue to dwindle, thus crippling their ability to continue inspiring, operating, and maintaining essential social services that benefit the wider community.³ Since the late 19th century, advancing religion has been recognized as a charitable purpose in Canada, along with the relief of poverty, the advancement of education, and other purposes beneficial to the community.

Given the fundamental and contributing role of religious charities in Canadian society, we urge the government to abandon Recommendations 429 and 430. Indeed, we ask the government to avoid *any legislative changes* that would disproportionately target, destabilize, or harm faith-based organizations, inadvertently affecting the millions of Canadians who benefit from their initiatives. Recommendations 429 and 430 were advanced by the Committee without meaningful public consultation with the charitable sector. Any changes to the *Income Tax Act* affecting faith-based charities must involve proper consultation to ensure they strengthen rather than hinder our collective capacity to serve Canadians.

Thank you for taking the time to consider this important matter. We welcome the opportunity to discuss our concerns further with you. Be assured of the CCCB’s desire to work with the federal government to preserve the integrity and effectiveness of Canada’s entire charitable sector. We remain hopeful that Canadians will continue to enjoy freedom of religion and expression while maintaining a vibrant and sustainable charitable sector for the benefit of all.

Yours sincerely,

The Most Rev. William T. McGrattan
Bishop of Calgary and
CCCB President