Pre-Budget Submission for the Fall Budget

Keeping Canadian Ad Dollars in Canada

TO: The Honourable François-Philippe Champagne, Minister of Finance
CC: The Rt. Hon. Mark Carney, Prime Minister of Canada
DATE: September 1st, 2026

Dear Minister,

Every year, more than $14 billion in advertising money leaves Canada for foreign platforms*. Our own tax rules make it easy. For decades, the cost of advertising with foreign newspapers, radio, and TV has not been tax-deductible — a rule meant to keep ad dollars supporting Canadian media. But that rule was written before the internet, so ads on foreign digital platforms like Google and Meta slipped through, and they remain fully deductible. We are not asking for a subsidy. We are asking you to close that gap — with a change that pays for itself.

The idea is simple. Stop the write-off for ads bought from foreign digital platforms, which operate illegal and extractive monopolies that pose a growing threat to Canada.[1] Take the money that recovers — about $2.2 billion a year [2] — use it to reward businesses that advertise with Canadian media instead.

The dollars that leave the country come home, and the government still comes out ahead.

Ultimately, this proposal would invigorate competition in local markets – amongst hundreds of diverse and locally-rooted Canadian media outlets and platforms competing for audiences and ad dollars. It would help strengthen Canada's information sovereignty, helping to maintain sovereign infrastructure for Canadians to inform and engage one another free from foreign interference.

How it works

There are two moving parts, and together they cancel each other out on cost:

Part	What it does	What it means
Close the write-off	Foreign digital-platform ads stop being tax-deductible (as foreign print and broadcast ads already are).	Recovers about **$2.2 billion a year** for the government.

[1] See, for example: Canadian Anti-Monopoly Project report highlighting threats to national security from foreign advertising monopolies; Reuters reporting finding 10% of Meta revenue projected to come from ads for scams and fraud, according to leaked documents; McGill researchers uncovering a foreign AI-generated fake news farm monetized using Facebook ads.

[2] See "Eliminating the deduction for advertising on foreign-owned websites" in the Parliamentary Budget Officer's platform, costing estimate forward by the Green Party of Canada: https://www.pbo-dpb.ca/en/epc-estimates--estimations-cpe/45/EL-45-1029710-P

Reward buying Canadian	A tax credit for businesses that advertise with Canadian media, scaled by size: 75% for small business, 40% mid-size, 30% large.	Pulls advertising budgets back to Canadian companies.

The $2.2 billion recovered pays for the credit. The net cost to the government is zero.

Why it's fair

Right now, foreign digital platforms get a tax advantage that foreign newspapers and broadcasters don't. Closing it isn't new spending — it's applying a 50-year-old rule to the digital world it was always meant to cover. (The rule is Section 19 of the Income Tax Act.)

The small-business credit is **refundable** — the key word. It means a small business gets the money back even if it made little or no profit that year. A regular deduction only helps companies already turning a profit; a refundable credit helps everyone, which is exactly who we want advertising locally.

For a small business, a $10,000 ad buy with Canadian media ends up costing about $1,300 after the credit. The same money spent on a foreign platform can't be written off at all.

What's at stake

Between 2019 and 2024, Canadian newspapers, magazines, radio, and TV lost about 11,000 jobs.* Every dollar that leaves the country is a dollar not paying a Canadian journalist, creator, or broadcaster.

The math runs the other way too. Every $1 million* kept in Canadian media supports about 8 jobs here at home. Recovering that first $1 billion is enough to sustain roughly **8,300 jobs** — enough to reverse five years of losses.

This is really about sovereignty. Countries like Norway, Sweden, and Taiwan treat their newsrooms as essential to a healthy democracy. As AI reshapes how people get information, keeping ad revenue, audience data, and know-how inside Canada matters more, not less.

Why it's safe to do

- **Far lower trade risk than a digital tax.** Canada's Digital Services Tax collected money directly from foreign companies, drew U.S. retaliation, and was repealed. This is structurally different: the credit rewards a Canadian choice without touching any foreign firm, and ending the write-off is a domestic tax rule of the kind generally carved out of USMCA — and shielded further by Canada's cultural-industries exemption. It is not risk-free, but it is far harder to challenge than a tax aimed squarely at U.S. platforms.
- **The market decides, not the government.** We don't pick winners. Businesses choose where their ad budgets go; we just level the playing field.
- **Nothing new to build.** It runs on tools the CRA already uses to certify Canadian media, so there's no new bureaucracy to stand up.

- **Expert-recommended & political winner:** A range of bodies have long recommended the government close the loophole, including committees of the Senate and House of Commons.
    - A survey by IPSOS found an overwhelming majority (85%) of Canadians agree it is more important than ever for Canada to have an independent news media, and most (83%) want the federal government to promote "Buy Canadian" rules in relation to advertising.

The ask

Close the gap. Bring the dollars home.

Stop the write-off for foreign-platform ads, and put the recovered money toward rewarding businesses that advertise with Canadian companies. No new spending. Thousands of jobs protected. A fairer tax code.

This submission speaks for a coalition of Canadian media leaders, independent newspaper and magazine publishers, radio stations and broadcasters. We look forward to discussing it with your office ahead of the fall budget.

With thanks for your consideration,

Signed

[organizations, listed here]

SIGN HERE

Addendum: Supporting figures

Jobs supported, based on ~8 jobs per $1M kept in Canadian media (verified by Canadian Media Means Business):

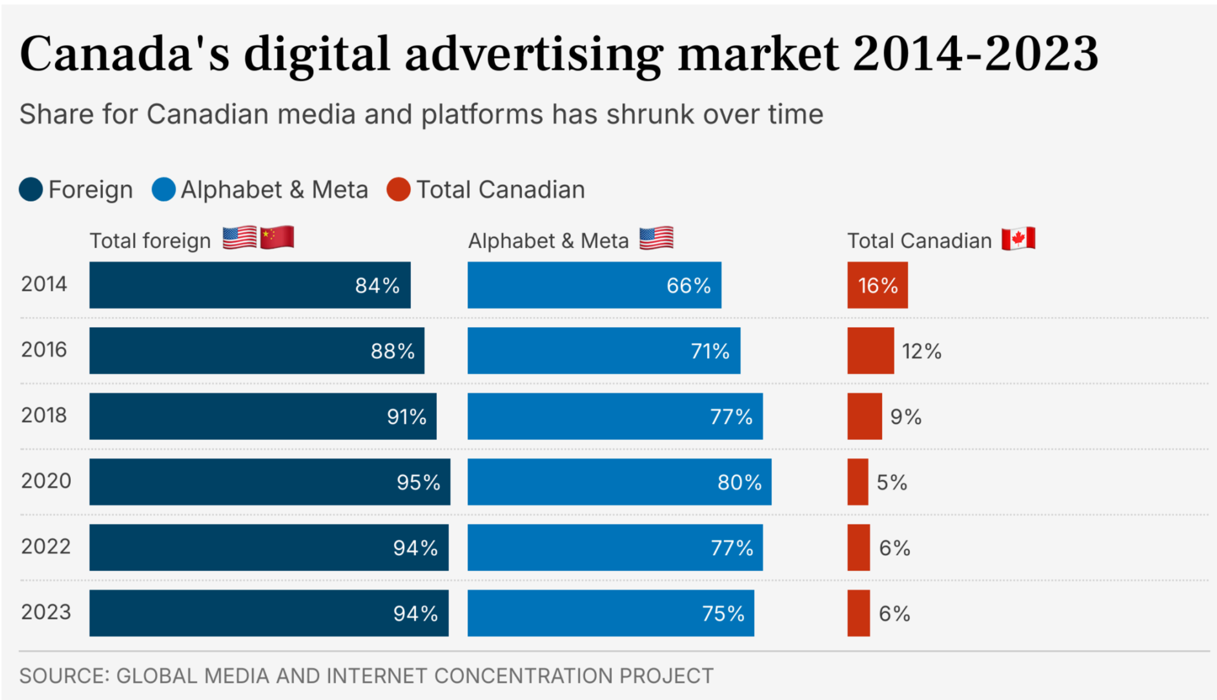
Ad money kept in Canada	Jobs sustained
$1 billion	~8,300 (reverses five years of losses)
$2.5 billion (2030 target)	~20,750
Full realignment	~41,500

The credit, by business size: 75% refundable (small business), 40% (mid-size), 30% (large).

Small-business example: a $10,000 Canadian media buy costs about $1,300 after the refundable credit. The same spend on a foreign platform is not deductible.

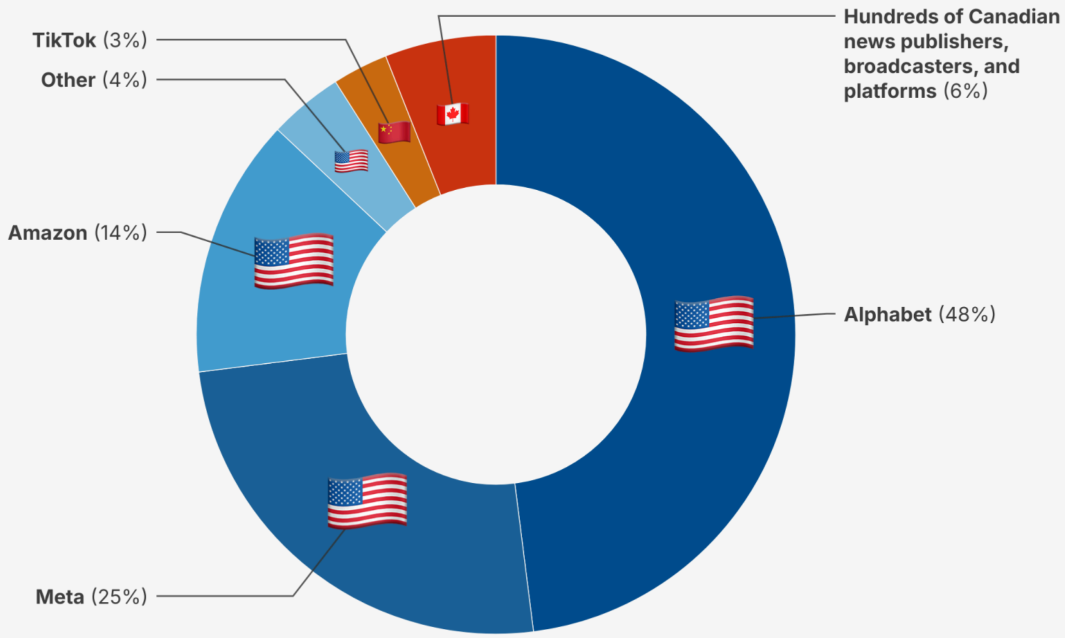
Large enterprise: the 30% credit plus the closed write-off makes certified Canadian media up to 56% cheaper than the foreign alternative.

**The full report can be downloaded [here](#).*



Canada's digital advertising market, 2023

Foreign players took 94% of ad spending



SOURCE: GLOBAL MEDIA AND INTERNET CONCENTRATION PROJECT