TAX ALERT

Welcome to TAX ALERT, a weekly dispatch about the proposed federal tax changes.

CMA CONTINUES ITS ADVOCACY ON TAX FAIRNESS

Despite some adjustments announced by the Federal Finance Minister last week, the CMA remains very concerned with the tax proposal. With so much detailed information lacking, we continue to call on the government to suspend implementation until a comprehensive review of the tax regime is conducted and a significant consultation process is initiated.

The federal government is showing some movement on their initial proposal, which confirms that our collective voices are having an effect. Our advocacy campaign is going strong, as we remain firmly committed to working with members and the Coalition for Small Business Tax Fairness to drive further changes.

The CMA presented to the National Finance Committee in the Senate this week. Dr. Marcoux outlined specific issues that remain of serious concern to the CMA and the Coalition, and recommended that the government:

- suspend implementation of any changes until a comprehensive review of the broader tax regime is completed, followed by a substantive consultation with all Canadians.
- retain existing passive investment measures, in keeping with their recognition that these play a role in mitigating the ups and downs of running of business, and provide a safety net for maternity/sick leave, and retirement. Should the government remain committed to establishing a cap on passive investment, the CMA will insist that the limit be increased, adjusted for inflation and cumulative.
- introduce a spousal exception to income sprinkling, recognizing that the family unit is recognized in tax law.

What’s next? We anticipate that legislation on income sprinkling is currently being drafted and that it will be released this fall; we believe that other details of the proposal could be announced as part of the 2018 federal budget. It’s important that we continue to influence government and speak with a strong, collective voice on this issue. As a result, CMA members should continue to reach out to their MPs. Your engagement with MPs convinced the government to change its plans. We must keep up the pressure.

COALITION REMAINS FIRMLY COMMITTED TO CHANGE

The Coalition for Small Business Tax Fairness remains committed to its initial goal of ensuring that a detailed analysis of the changes is undertaken, followed by substantive consultation. Members of the Coalition are preparing a formal response to the federal government to convey that, while adjustments have been introduced, the measures associated with income sprinkling and passive investments remain of grave concern to the small business sector. To put it simply, the changes proposed by the government do not go far enough.

LEND YOUR VOICE

Please help us keep up the momentum by:

- using our letter-writing tool to let your MP and Minister Morneau know where you stand;
• giving your MP's office a call to share your views — click here to find his/her contact info;
• getting up to speed by reading our latest key messages, frequently asked questions and speaking points.

PROPOSED TWEETS FOR THE WEEK

We need to keep pushing for #TaxFairness – let @FinanceCanada hear your concerns: http://ow.ly/Odmj30g6jLm
#AdvocacyinAction

ADDITIONAL RESOURCES

• MD Financial Management:
  • Fall Economic Statement: Highlights for Physicians
  • Private Corporation Tax Proposals: Federal Government Changes Tax Rate and Tweaks Income Sprinkling
• Visit the taxation page on cma.ca for more information and resources.

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