

Budget 2018: Federal Government's Revisions to CCPC a Step in the Right Direction

OTTAWA - February 27, 2018 - As anticipated, the Government of Canada clarified the final element of their proposed changes to the tax treatment of Canadian Controlled Private Corporation (CCPC) related to passive investment rules in Budget 2018. The CMA is encouraged that the government has listened to the concerns expressed by the small business community and introduced changes to its original proposal, confirming that our collective advocacy efforts have resulted in meaningful amendments.

We are pleased that the government modified its original July proposal, and recognizes the importance of CCPC for small business owners.

In today's announcement, the government has confirmed a simplified approach to treatment of passive investment income and access to the small business rate. The Budget proposal to limit access to the small business deduction for companies generating significant passive investment income will support ease of compliance and administration of the passive investment changes.

Dr. Laurent Marcoux, President
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