

THE COALITION FOR SMALL BUSINESS TAX FAIRNESS IS GROWING.

SO ARE CONCERNS.

Since asking the government to slow down and get things right we have become alarmed by the significant gap between the government's statements on the expected effects of the proposals and the analyses by Canadian tax practitioners. Here are the major impacts that concern us, and why we are calling for the government to set aside these changes in favour of a comprehensive review of Canadian tax policy.

Changes on income sprinkling won't just impact the few.

Changes to income sprinkling have the potential to affect all incorporated taxpayers that have family members as shareholders who contribute to the business, regardless of income. In fact, this could remove the benefit of sharing business income from taxpayers earning \$50,000, not just those above \$150,000.

Changes to income sprinkling would fail a gender-based analysis.

As two-thirds of Canadian incorporated businesses are majority owned by men, the restrictions on spousal income sprinkling are likely to remove a disproportionately higher number of women from benefiting from business ownership. Female led businesses can currently use passive income investments to ensure their business remains open during a maternity leave, protecting the income of the business owner and the employees.

Changes to passive investment rules would mean higher taxes for all business owners.

Tax practitioners agree that the proposed tax changes could potentially result in a combined corporate and personal tax burden for an Ontario business owner of as much as 73% on corporately-earned investment income and 59% on corporately-realized capital gains (assuming a business owner is paying the highest marginal rate of taxation). These changes would result in higher combined corporate and personal taxes for business owners across the board.

IN THE NAME OF FAIRNESS FOR ALL LET'S TAKE THESE PROPOSALS OFF THE TABLE.

As an MP we know you care about the small businesses in your home communities. And about fairness. We invite you to learn more about these ill-advised tax measures at smallbiztaxfairness.ca/ and make your voice heard in the house of commons.



Coalition
for small business
tax fairness.

