

September 28, 2017

The Honourable William Francis Morneau, MP
Minister of Finance
Department of Finance Canada
90 Elgin Street
Ottawa, Ontario
K1A 0G5

Dear Minister Morneau,

I am writing on behalf of the Burnaby Board of Trade, the leading business association in Burnaby, British Columbia, and our 1,100 member businesses and organizations. We would like to express our concerns with the proposed changes to the taxation of private corporations as outlined in the letter below and in the enclosed submission to the Department of Finance. We respectfully request that these proposed tax changes be deferred until further consultation with the business community on their potential negative impacts can occur.

After careful review of the proposed changes, the Burnaby Board of Trade believes that these changes may have significant negative consequences for the business community as a whole, particularly small businesses. Small businesses form the backbone of our communities and the engine of our local economies, and the potential for them to be impacted negatively by these changes is concerning. The Burnaby Board of Trade and our members would be supportive of finding ways to increase tax fairness, but we feel that this objective must be accomplished in a way that does not impose undue harm on the business community.

There are many potential impacts these proposed taxation changes could have on individuals and their companies, the business community as a whole and our economy overall:

- changing the tax planning rules that many businesses are structured around will negatively impact the very viability of some businesses;
- changes that make it harder for businesses to grow and owners to prosper may chill entrepreneurship and business creation in this country;
- restrictions on holding passive investments in a business will undercut investment in innovation and productivity and reduce funding available for unforeseen expenses; and
- the reasonableness tests suggested in these changes would almost certainly create an unwieldy administrative burden for both business and government.

For all of the aforementioned reasons, which we explain in more detail in the enclosed submission, I

would like to request on behalf of our members that the proposed changes to the taxation of private corporations be deferred and the consultation period be continued until more businesses can be engaged on a better solution.

Sincerely,



Paul Holden
President & CEO
Burnaby Board of Trade

cc: Terry Beech, Member of Parliament for Burnaby North-Seymour
Kennedy Stewart, Member of Parliament for Burnaby South
Peter Julian, Member of Parliament for New Westminster-Burnaby