



Tax Fairness in Burnaby North - Seymour:

How We Are Supporting Small Business

We Are Lowering Small Business Taxes From **11% To 9%**

This was a **core promise** during our election campaign, and will go a long way to support the small businesses that are the backbone of our local economy in Burnaby and North Vancouver. This new rate will:

- Be the lowest in the G7
- Be the fourth lowest out of all 35 OECD member countries
- Mean that Canada's combined general corporate tax rate is **12% lower than the USA** for small business
- Save small businesses in Canada up to **\$7,500 a year**, totalling \$2.9 billion in annual savings

We are **Doubling** Canada Summer Jobs

This program provides funding to help connect employers with full time students. Employers benefit from new skills and perspectives, while students gain valuable real-world experience.

- Over 65,800 Canada Summer Jobs were created in 2016, up from 34,000 the previous year
- We encourage all small businesses, faith organizations, and non-profits to get in touch for more information

Our Plan To **Grow The Economy** Is Working

A healthy, stable economy means more customers, greater certainty, and a stronger business environment. Since we formed government two years ago, Canada's economy has seen:

- The creation of over **450,000 new jobs**, including 35,000 in October
- Its **fastest GDP growth** in more than a decade, and a rate of growth that is the strongest in the G7
- Its **lowest unemployment** rate in more than a decade, and a historic low in youth unemployment
- Growth in consumer confidence, household consumption, and real business investment

We Want To Continue Our Dialog On This Issue.

I believe that the **quality of a decision is based on the quality of the debate**. Please help me to continue representing the voice of concerned constituents and business owners by sharing your feedback on the latest proposed changes.

Your Name:

Email:

Phone:

Business Name:

Address:

Postal Code:

This information will be kept confidential.
No postage is required.

Please fold this survey and tape it shut for mailing.

When considering the most recent version of the legislation:

How will the revised tax proposals affect your business?

Do you feel that, on balance, the most recent changes to the tax proposals make our tax system more fair?

How did you find Terry's representation on this issue?

- Strong Neutral Weak No Opinion

When It Comes To Tax Fairness, We Have Listened.

Here are some highlights from our revised proposal based on feedback from you.

Removing The Proposal To Limit Lifetime Capital Gains Exemption

For many of you, especially in family-run businesses, there was concern about our proposals to limit access to the Lifetime Capital Gains Exemption. Based on the feedback, we will not be moving forward with this. Many small businesses raised potential unintended consequences associated with this measure, including the potential impact on transferring businesses between family members.

Angel Investors & Venture Capital

In order for Canadian startups to succeed, we need to keep the steady stream of venture capital available. Federal support for venture capital includes:

- Venture Capital Action Plan: \$340 million in commitments to four private sector-led funds of funds
- Labour-Sponsored Venture Capital Corporations Tax Credit: Increased to facilitate access to venture capital for small and medium-sized businesses

A Cap Placed On Passive Investment

As an entrepreneur, I understand that whether it be for parental leave, retirement, financing a future expansion, or replacing broken equipment, small business owners need access to available funds. I presented a strong case to the Finance Minister and to our caucus to keep passive investment as a tool for small businesses, but with an annual cap. The revised proposal will:

- Put a \$50,000 threshold on annual passive investment, equivalent to \$1 million in savings
- Mean that 97% of small businesses will not see a tax increase on investment income
- Allow retroactive funds and money reinvested in businesses to remain tax free
- Allow for current funds invested to be grandfathered and remain tax free

A Simplified Proposal To Address Income Sprinkling

Our government will address income sprinkling in a way that is fair and reasonable. It will likely be similar to the test already applied to family members who are under the age of 18.

What Organizations Are Saying:

“The BBOT also applauds the government’s announcement to reduce the small business tax rate from 10.5% to 10% as of January 1st, 2018 and then to 9% on January 1st, 2019, a reduction which could save a business up to \$7,500 each year.”

– Burnaby Board of Trade

“I am pleased to see the government make good on its commitment to lower the small business rate by 2019. This decision will pump hundreds of millions of dollars back into the small business community, helping them create more jobs and grow the economy.”

– Dan Kelly, President of the Canadian Federation of Independent Business (CFIB)

“...the Government of Canada has listened, and is taking action to improve the conditions for entrepreneurial success. This announcement demonstrates that by working together, entrepreneurs and government can create a fair and inclusive economy wherein every entrepreneur is empowered with the environment and culture necessary to build thriving businesses that create jobs...”

– Startup Canada

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