

STRAIGHT TALK ABOUT TAX FAIRNESS.

The federal government recently outlined tax proposals that would dramatically change the way incorporated small businesses are taxed in Canada. The proposals are the biggest changes to small business tax rules in 45 years. They are very complex and being rushed—and appear to have the potential to damage Canada's small business sector, which is the entrepreneurial and innovation engine that drives 70% of Canadian private sector jobs.

HERE ARE THE FACTS

The proposed tax changes will discourage young entrepreneurs.

Canada's knowledge economy depends on entrepreneurial young minds. Independent business owners, including professionals, believe these changes have the potential to discourage entrepreneurs from going into business for themselves. How can this possibly help the government's innovation agenda?

The proposed tax changes will hurt local small businesses.

Proponents say these changes are targeted at tax loopholes benefiting the wealthy. In fact they would affect the majority of business owners who are in the middle class and who live and employ others in communities like yours. These proposals could hurt employment and growth as business owners look for other ways to offset the cost to themselves and their business.

The proposed tax changes will hurt job creation and economic growth.

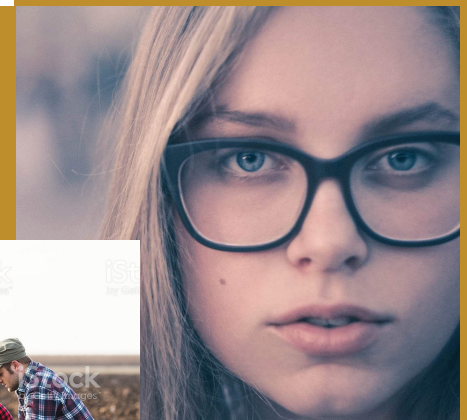
The proposals could result in a punitive 73% tax on "passive" (invested) income inside a corporation. This would eliminate the incentive to save surplus cash in the business. As a result, Canadian businesses would have less funding to get them through an economic downturn or to make big capital investments. That means less investment, less jobs, and less of a cushion to make it through tough times. These proposals would hurt economic growth in Canada.

The proposed tax changes would limit women from benefiting from entrepreneurship.

Women entrepreneurs are more and more frequently starting businesses in their own right as well as partnering in doing so with spouses and others. Small businesses and start-ups are often family-based, and when that is the case the family's assets, income security and retirement security are often fully at risk. Is it not fair that these risks and opportunities are shared?

LET'S SLOW DOWN AND GET THIS RIGHT.

As an MP we know you care about the small businesses in your home communities and don't want to hurt this critical sector. Canadian entrepreneurs and their millions of employees deserve better. We invite you to learn more about these ill-advised tax proposals at smallbiztaxfairness.ca/ and make your voice heard in the House of Commons.



**Coalition
for small business
tax fairness.**

