

Lloyd Longfield
Member of Parliament for Guelph
40 Cork Street East
Guelph, ON N1H 2W8

RE: Tax Changes that Will Hurt Businesses & Communities

Dear Mr. Longfield,

Over the summer, the federal Finance Department has made it clear that it intends to make the most sweeping changes to business taxes in 50 years. As President & CEO of the Guelph Chamber of Commerce, I am writing this letter on behalf of our membership representing close to 900 businesses and 30,000 employees to express my concern about the devastating affect these proposed changes will have on the many small and medium sized incorporated businesses in our community.

Small and medium-sized businesses (SMEs) are the engine of the Canadian economy – estimates range from 85 to 90% of all businesses in Canada are SMEs. If implemented, the proposals will restrict SME owners from sharing income with family members; limit certain forms of saving in the business, making the firm more vulnerable in bad economic times and less able to innovate and grow; and change capital gains rules which could make it more difficult for business owners to transfer their business to the next generation. While intended to close loopholes aimed at the wealthy, these proposals will hurt middle-class business owners from every sector of the economy. These are shop-owners, farmers, doctors, financial planners, home-builders, and trades in all sectors—the entrepreneurial families who are the backbone of the economy and responsible for job creation in Canada

These changes will punish legitimate businesses, restrict innovation, stifle entrepreneurship and are firmly juxtaposed to the government's stated commitment to providing new opportunities for SMEs to grow. SMEs in places like Guelph employ neighbours and support local initiatives – everything from soccer teams to fundraising drives for refugee families. If these changes go through, both businesses and communities will no longer have the capacity for these activities.

I understand that draft legislation is in place concerning these changes. Therefore, I urge the government to put these changes on hold and hold consultations with the business community to address any shortcomings in tax policy without unfairly targeting independent businesses.

Sincerely,



Kilhio Mwanzia
President & CEO
Guelph Chamber of Commerce

CC: Hon. Bill Morneau, Minister of Finance
Hon. Perrin Beatty, President & CEO, Canadian Chamber of Commerce