

Federal Tax Changes

Are you a business owner?

If your business is incorporated, then you could be facing a larger tax bill and big compliance costs from the government's new proposals to change the way corporations are taxed.

Here are three things you need to know about the tax changes proposed by the federal government:

1. **Do you employ family members?** The government wants to scrutinize their compensation to apply a much higher tax rate on income they consider "unreasonable".
2. **Do you invest the profits from your business?** The federal government is proposing to tax that income at an effective rate of 70%.
3. **Do you want to pass your business on to your children?** Tough new rules make it difficult for younger kids to get the capital gains exemption. They could be double-taxed. 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.

What you can do.

The chamber network across Canada is using its collective voice on this issue; your voice as a business person needs to be heard as part of this initiative.

Send a message to your MP today. Government needs to know that this tax reform will harm businesses of all sizes. The consultation period closes on October 2nd so urgent action is required in order for your voice to be heard.

- A sample letter to send to your MP, developed with the Canadian Chamber of Commerce, can be found on squamishchamber.com.
- The Chamber has postcards with a pre-printed message that you can send free of charge to our MP in Ottawa. This initiative is being used across BC to emphasise the importance of small-medium sized businesses to our province. Our strength is in numbers. Postcards can be picked up at the Chamber offices at the Adventure Centre.
- Need more info? Head to www.squamishchamber.com
- Don't know how to contact your Member of Parliament? Look up their address using your postal code at: <https://lop.parl.ca/ParlInfo/compilations/houseofcommons/memberbypostalcode.aspx?Menu=HOC>