

Last week, the federal government unveiled changes to their controversial tax planning changes proposals. The four primary announcements have been:

1. No changes will be made to the lifetime capital gains exemption
2. Moving forward with plan to end income splitting for people who do not contribute to the business with 'simple and clear measures'
3. Introducing a threshold of \$50,000 for passive income earnings to be taxed at the lower rate
4. As promised in their 2015 election platform, the federal small business tax rate will be lowered from 10.5% on 1 January 2018 and furthered lowered to 9% on 1 January 2019

It is our position that the government has moved in the right direction, but there is still work to do. Fredericton Chamber of Commerce CEO has written a commentary on this week's announcements, which can be found [here](#). She has also previously penned two other op-eds on the subject, [the first in September](#) and [another earlier in October](#).

We have been very active on this file to date and will continue to advocate for the benefit of our members - we have heard from more members on this issue than any in recent history. The chamber's board of directors sent a [letter to Matt DeCoursey](#) in late August outlining our concerns. When NB MP Alaina Lockhart was named Parliamentary Secretary for Small Business, we [sent a letter jointly with Ignite Fredericton to Ms. Lockhart](#). We have also met Mr DeCoursey and Karen Ludwig (MP, NB Southwest), who have sent feedback to Ottawa.

Additionally, we are part of a local coalition [letter-writing campaign](#), and a national campaign with the Canadian Chamber of Commerce called [#ProtectGrowth](#). We encourage our members to check out and participate in these campaigns.

In September, Finance Minister Morneau also made an appearance at the Canadian Chamber of Commerce conference (hosted in Fredericton), which was followed by a press conference, where Fredericton Chamber CEO Krista Ross participated, along with five local chamber members. At that conference, 98.6% of delegates voted in favour of a [policy resolution](#) opposing the proposed changes. The national chamber is also a founding member of [a national coalition](#) which now features 78 associations and business groups.

We encourage members who may be affected by the proposed changes to contact the chamber with their concerns. Of course, there are other groups, both nationally and locally, that are opposing the changes that may provide opportunities for you or your business to further get involved:

- [Restaurants Canada](#) - national restaurant advocacy group, with an Atlantic division
- [Canadian Retail Association](#) - national retail advocacy group, with an Atlantic division
- [Choose Our Community](#) - local coalition of business owners
- [Canadian Medical Association](#) - national physician advocacy group
- [Chartered Professional Accountants Canada](#) - national accountant advocacy group
- [Canadian Bar Association](#) - national lawyer advocacy group
- [Canadian Manufacturers and Exporters](#) - national manufacturing and exporting group

We also encourage members to contact their financial services professionals to get a more detailed analysis of how the changes may affect them.