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Tuesday, September 19, 2017

The Honourable Bill Morneau, P.C.  
Minister of Finance  
Finance Canada  
90 Elgin Street  
Ottawa, ON K1A 0G5

Dear Minister Morneau,

I am writing on behalf of the membership of the Saskatchewan Construction Association to voice our opposition to the proposed tax changes announced on July 18, 2017. The changes present an obstacle to success for many of our members who have already weathered enough economic storms in the past two years. The potential tax increases these changes represent are a threat some business operators will not weather. Even if they can, they shouldn't need to.

Fairness in the tax system is a laudable goal. However, when defining fair, we must be careful to consider all costs and benefits. Many private business owners went into business relying on this tax structure to support themselves, pay business loans and make up for the lost benefits of regular employment. Changing those rules now threatens the viability of many Canadian businesses.

Furthermore, those business owners who can withstand the proposed changes are losing significant income that was allowable in the first place to compensate for the fact that, as owners, they are not eligible for:

- Employer funded pension contributions
- Employer funded benefits programs
- Canadian Pension Plan
- Employment Insurance
- Paid vacation
- Paid statutory holidays
- Paid sick leave

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These changes strike at the heart of small business owners' ability to make a living and improve the economy through hiring and investment.

This is especially concerning given business owners' need to plan and prepare without the benefits that employees have in our system. That is the trade-off: business owners are not required to pay taxes *in the same way* as employees but neither are they entitled to the benefits, protections and normalcy of regular employment. This difference does not imply that owners don't pay their fair share of taxes. They do. Employers pay for employee benefits, employee pensions, government programs on behalf of employees, and corporate taxes – all before they have received a cent of profit.

Even then, profits often go to pay personal loans and guarantees made in the process of starting or maintaining a business.

Given the costs and risks laid out above, our association requests that your Ministry abandon these proposals or, at the very least, delay the changes long enough for proper public consultation and independent economic analysis.

Thank you for your time and consideration in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Cooper", followed by a horizontal line extending to the right.

Mark Cooper, MBA, PMP  
President and CEO  
Saskatchewan Construction Association

CC: Hon Ralph Goodale, Minister of Public Safety and Emergency Preparedness  
Andrew Scheer, MP and Leader of the Official Opposition

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