Dear Members of Parliament,

I am writing to express my concern with the Federal Government’s proposed changes to the tax treatment of privately held corporations. I am an employee and I do not directly benefit from these strategies these proposals intend to change. I also consider myself to be part of the Middle Class that you believe will benefit from these proposals.

After a careful review of these complicated changes, I strongly believe they will have a profound impact on the very way we do business in this country. These laws were put in place to encourage entrepreneurship and investment in Canada. I fear that the changes will ultimately discourage this behaviour which will lead to a reduction in jobs, wage growth, advancement opportunity, and investment in Canada.

The “rich” that you are targeting often have the flexibility/option to move their business, assets, and residency to other jurisdictions. If Canada is unable to compete, this capital will flow out of Canada into a jurisdiction that encourages this behaviour. This will reduce the total taxes our government will be able to collect.

If these changes are adopted, small and family-owned businesses will be challenged in their ability to survive difficult times, finance growth, pay taxes, manage capital, engage family members in the business, and plan for retirement.

Businesses will suffer from unintended consequences of the proposed legislation.

Those that stay and can, will likely raise prices and reduce wages. Those that can’t, may leave. Ultimately these proposals will backfire and the costs will be borne by the middle class.

I would also like to see a plan to use the additional funds to help the middle class. An option to achieve the Government’s stated objective would be to allow employees to income split with their spouse as is allowed for retirees, divorced couples, or in other countries.

With that in mind, I respectfully request that the Government reconsider these proposals and instead extend the consultation period, to engage the business community further.