

September 27, 2017

The Honourable William Francis Morneau  
Minister of Finance  
Finance Canada  
90 Elgin Street  
Ottawa, Ontario K1A 0G5

Dear Minister Morneau:

As the deadline approaches for input into proposed federal small business tax measures, I would like to share Yukon's perspective on the provisional changes. I, as Minister of Finance, and my Minister of Economic Development, have heard from numerous business owners who are concerned about the potential impact of the proposed changes.

They have warned of unintended consequences as a result of some of the proposed modifications and their potential impacts on the small business community in Yukon. We suggest that transition provisions be considered.

As a government, we are supportive of federal initiatives that improve the equity of the tax system, its efficiency and effectiveness. However, if there are incidents of people taking advantage of the tax situation, changes should be made in a way that do not cause unintended consequences for the entire small business community.

We urge you to listen to, and account for, the concerns of economists and small business owners who are worried about the impact that some of these changes could have on economic growth and on small businesses.

While the Yukon is currently enjoying stronger economic growth, it is important to note that our economy is susceptible to boom and bust cycles. Any actions that could have a negative impact, particularly during slow economic times, are a cause for concern. At the end of the day, any changes must strike a balance by ensuring tax fairness without stifling economic growth.

I am pleased to hear the Government of Canada is listening to the concerns raised and that you have indicated you are open to making adjustments based on the feedback that you receive. In this light I would urge you to extend the consultation period to ensure those concerned had a full opportunity to share their views.

The Yukon Chamber of Commerce has said publicly that the changes could have significant negative effects on the Yukon business community. I would encourage you to meet directly with Yukon business owners to hear from them first hand.

I look forward to discussing these changes when we convene for our annual meeting of Ministers of Finance in December.

Sincerely

A handwritten signature in black ink, appearing to be 'Sandy Silver', written over a circular scribble.

Sandy Silver  
Premier