

TAX ALERT

FINAL EDITION

TAX ADVOCACY CONTINUES

Finance Minister Bill Morneau tabled the 2018 federal budget on February 27, and announced what appear to be the final changes to small business taxation.

When the proposed changes were first announced in July of last year, we knew we had a tough road ahead of us. Many thought that the government would simply forge ahead with its plan, irrespective of the impact to the small business sector. The CMA and many others, however, took on the challenge at hand and mounted a considerable opposition. This included forming the Coalition for Small Business Tax Fairness, appearing before the House of Commons and the Senate on multiple occasions, meeting with Minister Morneau himself, and many other activities.

What really stands out from our work over the past eight months is how our members seized this opportunity to join us in our advocacy campaign. Thank you for the countless letters, emails and Tweets, and for taking the time to share your concerns with your MPs and elected officials. Thanks to our push, the government adopted a more nuanced approach — significantly better than what they originally proposed.

While the government did move away from its original plan, we understand that many physicians may still find the result disappointing, as the proposed changes were not completely abandoned as we had asked for. Please know that we're still engaged on this file and we're continuing to partner with the Coalition for Small Business Tax Fairness as the legislation moves through Parliament.

And while this marks the final edition of our TAX ALERT newsletter, we will continue to update you on our work through other channels — our website, our social media accounts and our monthly e-Bulletin. If you have any questions, please don't hesitate to contact us at yourvoice@cma.ca.

WORK OF THE COALITION CARRIES ON

The Coalition for Small Business Tax Fairness is continuing its work, and the CMA remains an active member. They're currently drafting a joint letter, with the CMA as a signatory, calling for the following recommendations:

- Income splitting:
 - Delay of Tax on Split Income (TOSI) rules until 2019
 - Exempt spouses from TOSI rules
- Passive investments:
 - Call on the government to protect those with past passive investments.
- Ensure competitiveness for Canadian small and medium-sized enterprises.

The Coalition will also continue to push for other recommendations as indicated in its [previous letters](#).

MD FINANCIAL MANAGEMENT: BUDGET 2018 WEBINAR

To learn more about this year's federal budget and its implications for Canadian physicians and their families, join MD and the CMA for an informational and interactive webinar, including a live Q&A. The webinar will take place **Wednesday, March 21, 2018 at 8 p.m. EDT/ 5 p.m. PDT or 9:15 p.m. EDT/ 6:15 p.m. PDT**. If you're not able to attend, a recording will be made available to MD clients following the live event. [Click here to register](#).

THE PAST EIGHT MONTHS: WHAT WE ACCOMPLISHED

Thanks to your efforts, we accomplished a lot in the past eight months:

- We met with Finance Minister Bill Morneau, in August 2017, at his request, to voice the concerns of physicians and small businesses.
- We were in Kelowna in September 2017 to host a roundtable where female physicians discussed the gender-specific challenges of the proposed changes.
- We asked a group of women physicians to [share their views](#) about the proposed tax changes on their practice, their personal lives and their ability to care for their patients.
- We worked closely with our members to press the government for change. Almost 14,000 of you used our letter-writing tool to share your concerns with your elected officials.
- We submitted a technical brief to government calling for a comprehensive review of the tax system.
- We appeared before the Finance Committee twice, and once before the Standing Senate Committee on National Finance.
- We issued a statement in November 2017 to express apprehension about the looming deadline for the changes.
- We also provided a reaction to the federal government's announcement on income sprinkling in December 2017.
- We responded to the 2018 federal budget, tabled February 27.
- We participated in a panel discussion on tax and innovation at the Canadian Club of Ottawa on March 1.
- And we continue our active work with the Coalition for Small Business Tax Fairness, a group of over 75 professional organizations representing small business operators — from farmers to independent businesses.