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Dear Mr Robert Kitchen and Mr Ralph Goodale

As an accountant and owner of Wheatland Accounting Services Ltd, Fillmore Saskatchewan, I am writing to you to express my deep concerns regarding the tax policies introduced by Mr. Morneau on July 18, 2017 and how these policies will dramatically alter the taxation regime for our farming and small business clients. Although the objective of taxation fairness put forward July 18th is a noble one, the government has obviously lost touch with one of the primary economic engines in Canada, that being small business. It has lost touch with the concept of risk and personal sacrifice that comes with establishing and maintaining a profitable farm or small business in Canada. To suggest that tax fairness is being obtained by the proposed changes which grossly tip the tax burden upon the backs of small business in Canada is wrong and in the long run will have a drastically negative effect upon these entrepreneurs and business owners and the economy as a whole.

The majority of our clients are agriculture producers who take tremendous risks each year that a new production cycle begins, and inputs towards it are acquired and expended. As they do this they are very aware that there are many factors such as disease, weather and commodity prices that are beyond their control that will determine the profitability (or lack thereof) of that year's production. They do this with the hope of financial reward. In doing so they are employing individuals to assist in their operation who are expected to work a normal workday, take no risk regarding their pay cheque, their pension, their medical plan or whatever employment perks they may receive. Should we attempt to equate the tax treatment of the employer with that of the employee and ignore the fact that the employer is the one taking the risks that in the end create employment and stimulate the economy?

Our farm clients have built up their business and many of them hope to pass that business down to their children. The policies put forward July 18, 2017 will detrimentally affect plans put in place to do this. It will affect the ability of a farm corporation to set aside funds in the profitable years as insurance against the less profitable years that every farmer knows will come. It will create double tax when the retained earnings in the business are ultimately paid out to the owners in dividends.

Rather than repeat what has been so well documented already, I have inserted links to two of many articles that illustrate the burden these proposals will have on farms and small business. I do hope that you Mr Kitchen as our MP and a member of the opposition will assist in bringing these gross inequities to the attention of our government, and that you Mr. Goodale as a member of the government and a cabinet minister with access to our prime minister will ask that they reconsider this legislation, which I am sure is having a much broader effect on taxpayers than they had intended.

Sincerely,

Kelvin Shultz PBA, Dip Ag, CAFA