

The integrity of the consultation period for the private corporation tax proposals

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Well, no better way to ruin a summer for tax professionals and small business owners than for the government to drop a tax package containing some of the most pervasive tax policy changes for private corporations and their shareholders in approximately 50 years.

As readers of our blogs already know, our firm is concerned about the rhetoric that has accompanied the “consultation” documents. However we’re also concerned about the short consultation period attached to the material: 75 days. In the middle of the summer when much of the business community is on vacation and won’t start “waking up” until mid-September. By that time, the “consultation period” will effectively be over. In light of this brief consultation period, it is questionable that the Minister’s office sincerely wanted to consult with stakeholders.

Lately, the Minister of Finance’s communication on social media has pandered to populist rhetoric and illustrated that true consultation may simply be lip service. For example, have a look at this [tweet](#) and this [one](#). Similar messages are also present on his Facebook feed. Such statements are very partisan and, in our view, inappropriate. They unnecessarily add even more uncertainty as to whether the consultation process is in fact genuine and whether the results have already been predetermined.

Minister Morneau, please consider tempering your public comments. The consultation period must be genuine and, more importantly, the business community needs to feel that it is a participant. As such I would encourage you to engage in a genuine tax reform / tax policy debate by commencing a new “Royal Commission on Taxation”.

The last time Canada carried out such a comprehensive review of our country’s tax system was from 1964 to 1966 when the Commission did its work and released its landmark report and recommendations. A new “Commission,” to study our tax system would be a positive step, and more importantly it would allow stakeholders to contribute.