

The Honourable Sandy Silver  
Premier  
Box 2703  
Whitehorse, Yukon  
Y1A 2C6

September 29, 2017

Dear Premier Silver,

We want to thank you for the representation at the Chamber meeting last night by Minister Pillai, and his comments to the business community. We are writing to you because we worry that the proposed big changes to federal tax policy could derail the recent economic growth which is looking so positive for our territory.

At the upcoming First Minister's meeting on October 3<sup>rd</sup>, we urge you to put the federal government's proposed tax changes at the top of the agenda with the Prime Minister.

The federal government has proposed the most radical changes in 50 years, including (1) a new tax (effectively 65%-73%) on investment income in a corporation, (2) a much higher tax rate for compensation in a family business deemed "unreasonable," and (3) new, tougher rules for converting income to capital gains that would make it difficult to pass a business along to family members.

We believe the tax changes will:

- Lead to lower savings within their businesses, eroding sustainability and future investment for business growth;
- Make it more difficult to pass down ownership of family-run businesses to the next generation;
- Discourage entrepreneurship;
- Reduce venture capital available to Canadian business;
- Send foreign investors away to friendlier markets; and
- Reduce economic growth and job creation in the Yukon

There is no need for the government to rush ahead with radical tax changes. That is why we urge you to tell the PM to take these proposals off the table, and launch meaningful consultations with the business community to address any shortcomings in tax policy without unfairly targeting small businesses.

Most sincerely,



Stanley Noel  
Chair, Yukon Chamber of Commerce