

March 13, 2018

Hon. John Horgan
Premier and President of the Executive Council
West Annex Parliament Buildings
Victoria, BC V8V 1X4

Hon. Carole James
Minister of Finance and Deputy Premier
Room 153 Parliament Buildings
Victoria, BC V8V 1X4

Subject: Eliminate the new payroll tax

Dear Premier Horgan and Minister James,

We are writing to urge you to immediately withdraw the proposed employer payroll tax. The new tax will have a significant negative impact on British Columbia's employers and make our province a less attractive jurisdiction for investment.

The new payroll tax places a significant burden on businesses, public institutions, local governments, health care providers, education boards, and non-profit societies.

In addition, it is disingenuous and unfair to taxpayers for the Government to "double dip" in the first year of implementation. Not only is this contrary to the MSP Task Force's recommendation, it is not fair and is contrary to the government's campaign commitments on affordability.

The new payroll tax will add another cost to doing business in B.C. Other cost pressures from governments include:

- Since 2011, the minimum wage in BC has increased 42 percent. Further planned increases to the minimum wage will exceed the annual inflation rate and increase by another 34 percent to \$15.20 by 2021;
- Elimination of the Federal Business Job Credit measure as of 2017 means EI rates will be increasing for business owners in 2018;
- Canada Pension Plan (CPP) payroll costs will increase by 20 percent starting in 2019 until 2023;
- Property taxes, at both the provincial and municipal level, continue to rise;
- New environmental regulations (e.g., regulation of single-use items) and eco-fees (e.g., expansion of products obligated under packaging and paper product category on November 14, 2017) add significant operating costs;

- The carbon tax in BC is set to increase \$5 per tonne annually until 2021, starting this year.

It's time to stop taxing jobs. Combined, all of these taxes are making it more difficult to do business in B.C. and hit small and medium-sized businesses particularly hard.

Medical services are a social program of benefit to all British Columbians and are not inherently related to employment. There are a host of other options at Government's disposal so we encourage the Government to continue to consult with stakeholders to find a fairer and more balanced approach that works for all British Columbians and that is affordable for small and medium-sized businesses.

In the interests of tax fairness and protecting small and medium-sized businesses, we urge the Government to immediately announce the elimination of the new payroll tax.

Yours truly,



Richard Truscott
Vice President, BC & AB




Clyde Scollan
President & CEO




Anne McMullin
President & CEO




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President




Mark von Schellwitz
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