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**Guy
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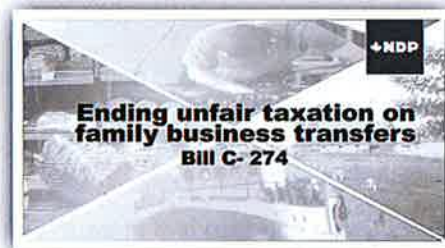
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RECEIVED DEC 06 2016



Ending unfair taxation on family business transfers

Bill C-274: Transfer of small business, family farm or fishing operation

Dear Sir/Madam:

I am pleased to write to you today to ask for your support for my Private Member's Bill to end unfair taxation on family business transfers. The vote will take place Winter 2017. -

Bill C-274 seeks to facilitate the transfer of small businesses, family farms and fishing operations between members of the same family. Specifically, it would give owners and buyers in the same family the same rights and privileges extended to non-related persons involved in a transaction.

In Canada, when an individual sells a business to a family member, the difference between the sale price and the price originally paid is considered a dividend. If the individual sells the business to an unrelated person, it is considered a capital gain. That makes it highly disadvantageous to transfer a business to a family member because the transaction does not include the right to a lifetime exemption and is more heavily taxed. This unfair situation penalizes our small businesses, family farms and fishing operations.

Owners of small businesses, family farms and fishing operations all agree that current tax rules discourage the transfer of their businesses to their children. Bill C-274 would remedy that by helping to ensure local businesses remain in the hands of local people. Not only would this legislation protect family businesses, but it would also create local jobs.

Since introducing my bill in the spring, I have received support from numerous farming, fishing and small business organizations, as well as from chambers of commerce across the country:

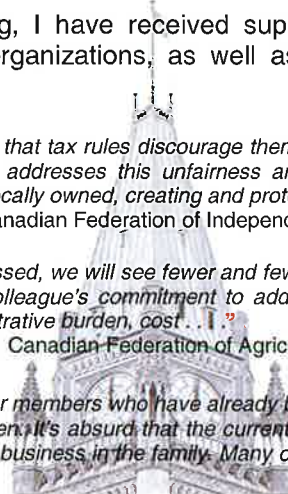
"Many small business owners are telling us that tax rules discourage them from passing on their firm to their children. Mr. Caron's bill addresses this unfairness and will help small business owners ensure their firm remains locally owned, creating and protecting local jobs."

Dan Kelly, President, Canadian Federation of Independent Business

"Simply put, if taxation barriers aren't addressed, we will see fewer and fewer family farms in Canada. We support Mr. Caron and his colleague's commitment to addressing these tax burdens that could cause significant administrative burden, cost . . ."

Ron Bonnett, President, Canadian Federation of Agriculture

"Bill C-274 will mean security for many of our members who have already begun the steps to transfer their business to one of their children. It's absurd that the current rules do not give business owners any incentive to keep their business in the family. Many of our convenience



store owners with well-established community businesses want to sell to their children but have to pay more tax when they do. It's high time to change the rules." [Translation]

Yves Servais, Director General, Association des marchands dépanneurs et épiciers du Québec

Together, we can demand that lawmakers change these unfair rules. That means we need the support of your MP. Enclosed you will find a letter that you can sign and return to your MP as well as the Minister of Finance, Bill Morneau. No postage is required.

You can also find more information about the bill at <http://guycaron.ndp.ca/bill-c-274-family-business-transfers> (questions and answers, online petition, reply card and comments form). It is time to level the playing field to ensure the survival of our small businesses, family farms and fishing operations.

If you have any questions or comments, feel free to contact me at 613-992-5302 or guycaron@parl.gc.ca.

Sincerely,



Guy Caron

Member of Parliament for Rimouski—Neigette—Témiscouata—Les Basques
Finance Critic
Atlantic Canada Opportunities Agency Critic
Fisheries, Oceans and Canadian Coast Guard Assistant Critic

Name of MP: _____
Name of riding: _____
House of Commons
Ottawa, Ontario
K1A 0A6

Bill C-274: Transfer of small business, family farm or fishing operation

Dear Member of Parliament:

I am writing to ask that you support Bill C-274, Guy Caron's Private Member's Bill.

Bill C-274 seeks to facilitate the transfer of small businesses, family farms and fishing operations between members of the same family. Specifically, it would give owners and buyers of the same family the same rights and privileges extended to non-related persons involved in a transaction.

In Canada, when an individual sells a business to a family member, the difference between the sale price and the price originally paid is considered a dividend. If the individual sells the business to an unrelated person, it is considered a capital gain. That makes it highly disadvantageous to transfer a business to a family member because the transaction does not include the right to a lifetime exemption and is more heavily taxed. This unfair situation penalizes our small businesses, family farms and fishing operations.

It is time to level the playing field to ensure the survival of family businesses. Your support for Bill C-274 at second reading is essential to end this unfair tax, which is threatening the survival of local business.

As a member of Parliament, you have an opportunity to end this unfair treatment while protecting family businesses and contributing to local job creation. I am counting on your support.

Sincerely,

Name:
Name of business or organization:
Address:
Telephone number/email address:

c.c.:

Guy Caron (Member of Parliament for Rimouski-Neigette—Témiscouata—Les Basques and NDP Finance Critic)
Bill Morneau (Minister of Finance)