



Dear Premier Rachel Notley,

We want to thank you for your leadership in steering Alberta's economy through these challenging times. I'm writing to you because I worry that big changes to federal tax policy could derail the recent economic growth which has been so positive for our province.

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 businesses and erode business sustainability, which will directly affect employees;
- Make it more difficult to pass down ownership of family-run businesses to the next generation;
- Discourage entrepreneurship and future investment for business growth;
- Reduce venture capital available to Canadian business;
- Send foreign investors away to friendlier markets; and
- Reduce economic growth and job creation in Alberta

Our recent lessons demonstrate the unique vulnerability of Albertans to economic shocks. Prudent businesses which had diversified or built up economic reserves had the capacity to keep people working in Alberta. If implemented, these proposed changes will hinder the diversification efforts of your government and reduce the capacity of businesses to stay resilient during economic downturns.

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.

Sincerely,

Ken Kobly  
President and CEO

cc: Perrin Beatty, President and CEO, Canadian Chamber of Commerce