

## Tax reform plan needed to ensure post-recession prosperity: Canadian Chamber

**Ottawa, April 30, 2010:** Today, Canada's most influential business advocacy group released a report that looks at what the government must do to ensure the positive steps that have been taken in tax reform continue to pave the way out of the recession

In response to advances in communications and information technologies, and the ease of movement of skilled workers and capital across national borders, many countries have continued to overhaul their tax systems to improve their global competitiveness despite recession-ravaged public finances. A long-term, strategic, well-thought out and comprehensive tax reform plan is needed for Canada to achieve strong economic growth and prosperity. This paper, entitled *Embracing a Growth-Oriented Tax System*, focuses on a few key areas in need of improvement.

"As Canada emerges the recession, our political leaders need to find strategies to balance the books. It is crucial that government refrains from hiking taxes or renegeing on promised corporate tax rate reductions," says Perrin Beatty, President and CEO of the Canadian Chamber of Commerce. "International competition is intensifying by the day. If we turn back now as other countries continue to improve their tax competitiveness, we will fall behind."

According to the report, Canada in recent years has moved to meet the challenge with a remarkable transformation in the business tax landscape. Federal and provincial business taxes have been substantially reduced, with further changes legislated. By 2012, Canada will have the lowest statutory corporate income tax rate in the G7 group of industrialized nations, and already has the lowest effective tax rate on new business investment in the G7. These measures have made Canada a more attractive location for new investment and have helped existing businesses compete.

*Embracing a Growth-Oriented Tax System*, the latest installment in the Economic Policy Series by Tina Kremmidas, Chief Economist of the Canadian Chamber of Commerce, is available from Chamber.ca in the Policy & Advocacy section.

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