

September 7, 2017

Michael Atkinson
President, Canadian Construction Association

Dear Michael,

RE: COALITION FOR SMALL BUSINESS TAX FAIRNESS - LETTER TO MINISTER MORNEAU

The BC Construction Association, as the voice for the industrial, commercial, and institutional (ICI) construction sector in British Columbia, supports CCA's participation in the above-mentioned coalition letter opposing the federal government's tax proposals affecting incorporated small businesses.

Moreover, we seek to highlight the immense impact such changes would have in our sector and, as a result, in homes and communities across our province as demonstrated by these facts:

- There are over 21,000 ICI construction businesses operating in BC
- 90% of these companies are small businesses
- Construction employs more than 210,000 British Columbians
- The sector's contribution to provincial GDP is 8.9%
- As a sector we face increasing international competition on large domestic projects, placing greater pressure on margins and cash flow
- BC faces a skilled worker shortage of 15,000 over the next few years, making the ability of small employers to competitively compensate workers an essential factor in their success
- Canada's construction sector grapples with a prompt payment issue that leaves small contractors in stressed cash flow

The joint letter rightly reminds Minister Morneau that small businesses are the backbone of Canada's economy. BCCA seeks to remind the Minister that a significant portion of these small businesses are responsible for building and maintaining the world in which British Columbians live, work, and play. Our leaders have a responsibility to fully support the dedicated men and women of our construction workforce so that they may care for their families while providing the skills our country needs to achieve its development goals.

The changes to small business federal tax are counter-productive to our economic priorities, and we respectfully urge the Minister to take the actions proposed in the letter of August 30, 2017.

Sincerely,



Chris Atchison
President, BC Construction Association
CC: The Honourable John Horgan, Premier of British Columbia