House of Commons
Chambre des communes
Canada

House of Commons Standing Committee on Finance – Pre-budget Consultations 2013

This brief is submitted by:

(•) **an organization** **Organization name:** Canadian Council of Chief Executives

or

( ) **an individual** **Name:** _____

Topic: Business taxation and regulatory issues

*Recommendation 1: Please provide a short summary of your recommendation.

Comprehensive review and reform of Canada`s taxation system is long overdue. While the federal government has achieved significant progress reducing the federal corporate tax rate, the complexity of the system imposes a significant administrative burden on Canadian businesses. The CCCE believes that the government should convene a panel to review, modernize, and simplify the federal corporate tax system.

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

unknown

Immediately

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

Panel costs would depend on the the scope of the review. Over the medium term, simplifying the tax code would generate savings for the federal government in the form of administrative efficiencies. Tax simplification could also improve compliance rates, increasing revenues for the federal government.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

Simplifying the tax code would improve the efficiency and competitiveness of Canadian companies, large and small. By implementing tax policies that reward success and incent companies to invest, expand, and employ more people, the Canadian economy would benefit. A study by the CCCE and PricewaterhouseCoopers found that of the CCCE members surveyed, companies spent an average of 1,696 days on compliance in 2007. This is equivalent to 8 full-time employees dealing solely with tax compliance. Tax simplification will lower costs for businesses while improving tax compliance rates.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

Comprehensive tax reform, that simplifies the corporate tax regime by reducing the disparity in treatment between small and large firms, would enhance Canada's medium-term economic growth prospects while encouraging smaller companies to expand, invest and enter new markets. This will serve to improve the international competitiveness of Canadian businesses. Internationally competitive Canadian businesses create high-quality jobs, invest in research and development and benefit small and medium sized businesses that are part of integrated supply chains.

Topic: Trade and investment

Recommendation 2: Please provide a short summary of your recommendation.

Economic diplomacy is essential to diversifying Canada's exports, selling our products to new customers and creating a global mind-set in our firms. Support for the Trade Commissioner Service and trade negotiating expertise in the government is important to ensuring effective international market access. For Canada's ambitious trade negotiation agenda to yield results, market access arrangements will need to be supplemented with export promotion and supply chain development strategies.

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

unknown

Immediately

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

Funding requirements would depend on the frequency of high level visits and the additional resources provided to the Trade Commissioners Service and negotiators.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

Canadian businesses of all sizes will benefit from economic diplomacy and enhanced trade promotion services abroad. The federal Trade Commissioner Service plays a vital role in marketing Canada abroad and supporting Canadian firms in their search for new customers and partners.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

As a country heavily dependent on trade, Canada must be a leader in the promotion of trade and investment liberalization. Exports are essential to job creation in Canada and to maintaining our standard of living. Economic diplomacy will improve access to markets abroad for Canadian businesses, increasing exports, jobs and Canada's standard of living.

Topic: Employment, labour markets and unions

Recommendation 3: Please provide a short summary of your recommendation.

Access to timely and comprehensive Labour Market Information (LMI) is critical for the development of economic and social policies that support all Canadians. To maintain a well-functioning labour market, we must sharpen the tools we use to monitor and forecast changes and improve how governments synthesize and disseminate the information to Canadians. We believe the best approach to doing so is by implementing the recommendations made by the Advisory Panel on Labour Market Information.

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

$10 million-$99.9 million

Immediately

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

The Report's recommendations would have an initial cost of $21 million and an ongoing cost of $49 million. These estimates are based on the implementation of all recommendations. However, if the government chooses to implement select recommendations, the cost will be reduced - individual recommendations range from $300,000 to $13.5 million. It is recommended that financial support for certain recommendations, including the development of a single portal, be cost shared between federal and provincial/territorial governments.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

LMI is relevant to the lives of all Canadians: employers, employees, job seekers, immigrants and students. However, important gaps in LMI have a disproportionate impact on the labour market performance of certain groups, specifically women, younger workers, older workers, visible minorities, immigrants, Aboriginal people and people with disabilities.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

Improvements based on these recommendations will lead to a better informed and more flexible economy and labour force. It will improve access to data and close several persistent information gaps, including information related to education outcomes, job vacancies, labour flows, regional intelligence and integration of new immigrants. Reducing unemployment or raising wages, by a better matching of workers and jobs, by even a tenth of a point would raise GDP by $800 million.

Please use this page if you wish to provide more explanation about your recommendation(s).

*Please note that at least one recommendation must be provided