

# DRAFT

## Laurentian Chamber of Commerce - Legislative Committee Position Statement on Taxes

The Laurentian Chamber of Commerce Legislative Committee evaluates tax legislation and recommends to the Board bills that should be opposed or supported. The following positions are considered in the evaluation:

1. Spending at all levels of government will naturally increase and therefore the rate of taxation and debt will increase overtime unless constrained.
2. The existing corporate tax burden is excessive and stifles business growth and global competitiveness.
3. The existing individual tax burden is too high and discourages work and savings, while stifling the income tax revenue and widening the gap between rich and poor.

Therefore the Chamber is generally supportive of legislation that reduces the overall level of taxation. But the Chamber does not take an anti-tax-at-all-costs position and evaluates individual legislative bills using ten principles listed in; *Guiding Principles of Good Tax Policy: A Framework for Evaluating Tax Proposals (American Institute of Certified Public Accountants, March 2001.)*

1. *Equity and Fairness* – Similarly situated taxpayers should be taxed similarly.
2. *Certainty* – The tax rules should clearly specify when the tax is to be paid, how it is to be paid, and how the amount is determined.
3. *Convenience of Payment* – The tax should be due at a time and manner that is most convenient for the tax payer.
4. *Economy in Collection* – The costs to collect the tax should be kept to a minimum for both the government and the taxpayer.
5. *Simplicity* – The tax law should be simple so that the taxpayer can comply.
6. *Neutrality* – The effect of the tax law on a taxpayers decisions as to how to carry out a transaction, or whether to engage in a transaction should be kept to a minimum.
7. *Economic Growth and Efficiency* – The tax law should not impede or reduce the productive capacity of the economy.
8. *Transparency and visibility* – The tax payer should be able to know that a tax exists and how and when it is imposed on them and others.
9. *Minimum Tax Gap* – A tax should be structured to minimize non-compliance
10. *Appropriate Government Revenues* – The tax system should enable the government to determine how much tax revenue will likely be collected and when.

One additional principal will be used when evaluating tax legislation:

11. The Laurentian Chamber's mission is to promote and enhance business and commerce on a local level. Therefore a bias toward maintaining tax revenues on a local level is appropriate.