

From: Dr Patricia Doyle
Sent: July 31, 2017 10:14 PM
To: Spengemann, Sven - M.P.
Subject: Minister Morneau's proposed tax changes for corporations

Dear Mr. Spengemann,

I am your constituent, having lived in _____, Mississauga for almost thirty years. I am also a physician, practicing in _____. My group practice employs over twenty people, and provides consultative work for a variety of other professionals including lawyers, real estate agents, accountants, privacy, security, IT and human resource officers.

I am writing about the proposed tax changes to private corporations, particularly with respect to passive investment income within a corporation. Mr. Morneau's proposed changes target unfairly physicians and other professionals who are small business owners and employers in the communities in which they live and work. The differential tax rate that has been, in the past, applied to investment earnings within my corporation has allowed my partners and me to expand our practice, employ more people and improve services to our patients.

As you may be aware, doctors are self-employed professionals, but with a critical difference - we are unable to pass on increased costs of doing business to our clients. Female doctors in particular bear a heavy burden as small-business owners. We have no paid maternity leave; what little time we take is doubly penalized, not only by loss of income but ongoing expenses of rent, utilities, salaries, insurance and professional memberships that must be paid even as we spend a few weeks or months at home with our newborns. We have no sick or disability leave, no family leave or bereavement benefit. Our kids go to school sick, and we go to work sicker. Those of our partners who opted to remain at home and take primary responsibility for child care were paid dividends from our corporations so that we could continue to work. Now we're told this is "income sprinkling", a tax loophole. In the press we are portrayed if not criminal then at least unethical and entitled. We have no pensions. Entering the workforce an average of ten years later than our peers, we have less time to save for retirement, and in our current milieu of clawbacks and income freezes we have little enough to put away. My life savings are in my corporation because that was the accounting and financial advice I received; it was not illegal. I am not a cheat or a tax evader. I pay my taxes, employ people, render the service for which I was very well trained by the taxpayers of Ontario, and raise my family in Mississauga.

Why is Mr. Morneau vilifying me and my colleagues in the press?

This is flawed legislation. Anyone who reads the daily papers knows who the tax cheaters are, and in what countries they hide their money. If this passes, it will provide a one-time payout as Mr. Morneau commandeers our retirement savings, but it will have a cascade of unintended consequences not the least of which will be a financial disincentive for women to practice medicine. Doctors as local businessmen and small business employers will disappear as new graduates leave the country or gravitate into academic and industrial jobs that offer salaries and benefits. Binding arbitration in Ontario will at last provide a viable forum for discussion of fee increases, sick and maternity benefits and

pensions for doctors in negotiations with the provincial Health Ministry. Other small business people, from plumbers to accountants will be similarly affected but unlike my medical colleagues and me, they will raise their fees to compensate for the increased taxes.

Please urge Mr. Morneau and Mr. Trudeau not to proceed with this planned legislation. It unfairly targets a very small segment of the population but with far-reaching consequences.

Yours truly,

Patricia M. Doyle, MD, FRCS(C)