

Open Letter to All Canadian Politicians

Dear Sir/Madam,

I am an Anesthesiologist practicing in Mississauga, Ontario and I am writing to express my concerns and opposition to Federal Finance Minister Morneau's proposed tax reforms for professional corporations. Specifically I am worried about the negative impact on hard working small business owners, including Physicians.

Doctors are highly trained and specialized in their area of work. Specialists require a minimum of nine years of training including medical school before we can independently practice in our field. The commitment to become a doctor and the ongoing commitment to patient care is considerable. It disappoints me that small business people, including physicians are being described as "tax cheats" and "tax evaders". As doctors, we make taking care of patient's lives, our life's work. Implying that we are "tax cheaters" or "tax evaders" is extremely disrespectful.

Canadian doctors work in a single payer system. The amount we are paid for our services is fixed by the government. Unlike other businesses we cannot adjust or set our own rates. This is an important distinction because other businesses have the ability to adjust their rates depending on the cost of doing business and market conditions.

Like other businesses, doctors have expenses, which include office staff, rent, equipment and other overhead costs including, but not limited to, costly malpractice insurance and ongoing continuing medical education. These are out of pocket expenses that doctors pay themselves.

Doctors do not receive any of the benefits salaried employees enjoy such as paid sick leave, paid vacation, extended health benefits or employment insurance. In my ten years of practice, I have not taken a single sick day knowing that if I don't go to work, patients will not receive care that day. Doctors do not have maternity or paternity leave, but must still pay for all expenses while off work for whatever reason while not earning any income. The ability to save money in the corporation was afforded in lieu of increases in the schedule of benefits and other benefits such as a pension several years ago.

The existing rules allow doctors to address these costs and allow for security should we become unable to work. Existing rules allow us to hire sufficient staff and keep equipment up to date leading to better patient care. Limiting the ability to save money may force small business owners to cut costs to ensure the security of their own future. When it comes to healthcare, the proposed changes will negatively contribute to the quality of services patients will receive, as doctors may be forced to limit expenditures in their own practices.

Given the immense amount of time, energy and cost to required to become a physician, these proposed changes will also make it much less attractive for someone to pursue the field of medicine. I am afraid new graduates will be tempted to leave Canada in search of more favourable work environments. This happened in the not too distant past with devastating consequences to patient care. We should all do whatever we can to avoid a repeat of the great brain drain. Again, a lot of time, energy and money go into producing a doctor. We should be training people and keep it attractive for them to stay in Canada. This also applies to Canada's best and brightest small business owners who may be discouraged to set up small businesses in our country and go south of the border where the business climate is much more favourable and more conducive to success.

Lastly, I challenge the notion that small business owners are avoiding taxes by leaving money in and investing in their corporations. This is tax deferral, not tax avoidance. Ultimately when small business owners take money out of their corporations as salaries, they will pay their fair share of taxes. In the meantime, the money is invested thereby supporting the Canadian economy.

I ask you to support the ability of small businesses, including doctors, to continue to have the current benefits of incorporation by ensuring these proposed tax changes are not implemented. By doing so, you will be putting patient care first.

Sincerely,

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(Views expressed are my own)