



**FREDERICTON
CHAMBER
OF COMMERCE**
— The Voice of Business —

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17 April 2019

Hon. Ernie Steeves, Minister of Finance
Chancery Place
P. O. Box 6000
Fredericton, NB E3B 5H1
Via email: ernie.steeves@gnb.ca
Re: Comprehensive Tax Review

Dear Minister Steeves:

I am writing today to renew our organization's call for a comprehensive tax review in New Brunswick.

People, capital and many business operations are all highly mobile today. Our province is already struggling with that very issue as we feel the pull to other parts of the country that otherwise have a better economy and more opportunities for people and businesses. The province's most recent economic growth plan has identified the lack of private-sector capital investment is a major drag on our economy. This was before WorkSafeNB rates skyrocketed, CPP and minimum wage were increased, a new statutory holiday was introduced, and of course, the carbon tax was implemented. These costs are on top of being one of the most highly taxed jurisdictions in North America. The one cost advantage we clearly have in New Brunswick is labour, but there isn't enough of it. Simply put - New Brunswick businesses are struggling to compete.

It is evident from the ever-increasing complexity of the tax code that tax policy has become a political tool at the provincial and federal levels – underscored by the recent Bill 9 put before the New Brunswick legislature. There is no chance that more tinkering and cherry-picking certain parts of the tax code will lead to a more fair and modern tax policy, that encourages economic growth for our province.

For these reasons, we submit that New Brunswick's economic potential will never be unlocked without detangling and simplifying the province's web of intersecting taxes, fees and regulations. If sustained economic growth is the goal (and it must be), then it's time to get serious about tax reform and ensure that our tax system is aligned with our economic development goals.

Sincerely,

Krista Ross, CEO
Fredericton Chamber of Commerce