

May 13, 2008

Honourable Michael Baker, Minister of Finance
7th Floor, Provincial Building
P.O. Box 187, 1723 Hollis Street
Halifax, Nova Scotia B3J 2N3

Dear Minister Baker:

RE: TAX REVIEW

As you know, the Halifax Chamber of Commerce is a member-driven, best practice business organization that continuously strives to make our city an even more attractive location in which to live, work and play. The 1700 Chamber members employ approximately 75,000 people - over one quarter of Metro's labour force.

The Chamber fully supports the Province's decision to conduct a taxation review. The Chamber has expressed the need in the past for a full review and is pleased to see that this government is choosing to do this now.

As stated in the Chamber's provincial pre-budget submission, tax reforms are required in order for Nova Scotia businesses to be globally competitive. As mentioned by Frank McKenna in his speech at the Chamber's spring dinner this past April, many European countries from Finland to France, have found that the loss of revenue through lower corporate taxes is more than made up for by resulting growth in the economy.

Specifically, the Chamber would be favour of provincial tax reforms that:

- Reduce the small business tax rate from 5% to 3%
- Introduce a more competitive personal tax regime
- Reduce capital taxes on financial institutions
- Phase-out capital taxes faster for non-financial institutions
- Accelerate the phase-out of the business occupancy tax
- Improve incentives to work, save and invest
- Include incentives for workplace wellness programs

I welcome an opportunity to meet with you and department staff in order to discuss tax reform. I would also welcome an opportunity for the Chamber to work with you and the government, to contribute in any way possible to the tax review process.

Sincerely,

Valerie A. Payn
President

Copy: Vicki Harnish, Deputy Minister of Finance

