

WHY OUR CHARITIES AND SMALL BUSINESS OWNERS IN THE CITY OF TORONTO AND THE GTA ARE RELEVANT TO THE UPCOMING ELECTION

Removing the Capital Gains Tax on Gifts of Private Company Shares and Real Estate

To:

The Right Honourable Justin Trudeau, P.C., M.P.
Prime Minister of Canada

The Honourable William Morneau, P.C., M.P.
Minister of Finance

Mr. Jagmeet Singh, M.P.
Leader, New Democratic Party

Ms. Elizabeth May, M.P.
Leader, Green Party

The Honourable Andrew Scheer, P.C., M.P.
Leader of the Official Opposition, Conservative Party

The Honourable Pierre Poilievre, P.C., M.P.
Finance Critic for the Conservative Party

Mr. Peter Julian, M.P.
Finance Critic for the New Democratic Party

Mr. Yves-François Blanchet
Leader, Bloc Québécois

The upcoming election will be a major challenge for all parties. Our proposal to remove the capital gains tax on gifts of private company shares and real estate is very relevant to the election. This measure will resonate with small business owners who wish to give back to their communities in every single riding across Canada. There are hundreds of thousands of small business owners in our country and 110,000 are members of the Canadian Federation of Independent Business (CFIB). Not only would small business owners be grateful, but the millions of Canadians who are served by our hospitals, social service agencies and universities, as well as arts and cultural and religious organizations would also benefit from this increased funding. Additional donations from the private sector would be approximately \$200-million per annum every year going forward. This increased funding would come at a time when all levels of government – federal, provincial and municipal are facing significant fiscal challenges.

The Special Senate Committee on the Charitable Sector issued its report in June 2019 and Section 3 recommended **INCENTIVIZING THE DONATION OF REAL ESTATE AND PRIVATE COMPANY SHARES.**

We urge both the Liberal and the Conservative parties to include this measure in your election platforms. We also urge each of the opposition parties to communicate their support of this measure in the upcoming debates prior to the election.

From a public policy perspective, this measure would address an inequity in the current Income Tax Act by providing the same tax treatment for donations of shares by owners of small businesses as is currently the case for owners of shares in publicly listed companies. In addition, it would provide Canadian charities with the same opportunity to raise private sector funding on the same basis as their U.S. counterparts.

Thank you for your consideration. We look forward to the upcoming election!



Dr. Ronald D. Cohn
President & CEO
The Hospital for Sick Children



Alan Shepard
President & Vice-Chancellor
Western University



Dr. Sara Diamond, C.M., O.ONT, RCA
President & Vice-Chancellor
OCAD University



Dr. Tim Rutledge MD, CCFP(EM), FCFP
President and CEO
Unity Health Toronto



Karen Kain
Artistic Director
The National Ballet of Canada



Daniele Zanotti
President & CEO
United Way Greater Toronto



Peter Simon
President
The Royal Conservatory



Adam Minsky
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UJA Federation of Greater Toronto



Stephan Jost
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Rose M. Patten, O.C.
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Josh Basseches
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Ted Garrard, C.M.
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Dr. Andy Smith
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Matthew Loden
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Dr. Catherine Zahn, C.M.
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Donald K. Johnson, O.C., LL.D.
Member of the 2019 Major Individual Giving Cabinet, United Way Greater Toronto; Director, Toronto General and Western Hospital Foundation; Chair, Vision Campaign, Toronto Western Hospital; Director, Business/Arts; Advisory Board, Ivey Business School at Western