

## Standing Committee on Finance (FINA)

### Pre-budget consultations 2012

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### Responses

#### 1. Economic Recovery and Growth

*Given the current climate of federal and global fiscal restraint, what specific federal measures do you feel are needed for a sustained economic recovery and enhanced economic growth in Canada?*

1. Reduction of federal government work force by atleast 10%
2. Once retired the federal government employees should be banned from working with federal government as consultants directly or in indirectly for a period of 5 years.
3. Changes in benefits- for ex. Sick leave should not be allowed to be carry forward indefinitely. Only in case of sickness they should be allowed to take credit for unused sick leave.
4. Plug loopholes in tax laws.

#### 2. Job Creation

*As Canadian companies face pressures resulting from such factors as uncertainty about the U.S. economic recovery, a sovereign debt crisis in Europe, and competition from a number of developed and developing countries, what specific federal actions do you believe should be taken to promote job creation in Canada, including that which occurs as a result of enhanced internal and international trade?*

1. CCPC should be divided into 2 categories. (a) Business corporation (b) Professional corporations ( Doctors, lawyers, Engineers, accountants, software consultants, consultants, real estate agents etc....) Jobs are created by Business corporations. Professional corporations create wealth for themselves they dont create job for general public. Buiness corporations should be taxed at the present rate of taxes with some more incentive described below. Professional corporation should be taxed at flat rate of 35% ( which is highest marginal rate of tax for an individual). Salary paid by these professional corporation to their family memebbers who are not professionally qualified should not be allowed as business expenditure. Investment made by Business corporation in Plant and equipment ( Not land) should be eligible for tax holiday for 10 years. Similarly the EXPORT INCOME for the business corporations should be Tax exempt for 10 years provided the income is invested in business dvelopment projects or some other rule to encourage exports from Canada. This will bring manufacturing to canada. Goods manufactured in canada and sold in canada should get GST exemption of 2% to encourage people to buy MADE IN CANADA GOODS.

#### 3. Demographic Change

*What specific federal measures do you think should be implemented to help the country address the consequences of, and challenges associated with, the aging of the Canadian population and of skills shortages?*

1. Change in immigration policy.If someone applies for BC hon immigration he should stay in BC for 5 years and should not be allowed to move to other province.
2. Reduction or tax deduction of education expenses for professional courses.
3. Government Grants for professional courses and the student after succesful completion of the course should work for government for a period of 5 years in remote areas. The bond should be strictly enforceable. In this way we will have professional working in all the remote areas of canada.

#### **4. Productivity**

*With labour market challenges arising in part as a result of the aging of Canada's population and an ongoing focus on the actions needed for competitiveness, what specific federal initiatives are needed in order to increase productivity in Canada?*

1. Part of the Housing mortgage interest should be tax deductible based on FAMILY income. For ex. if income upto 50K 100% interest deductible, Income between 50-100K 75% of interest deductible and Income between 100 to 150K - 50% interest deductible. 2. Small business, Taxi operators, fast food should be vigorously be audited by CRA and they are the biggest tax evaders. 3. All cash deposits in BANK above 10,000 in a year should be reported in TAX return. 4. All Loans taken, and property purchased during the year should be mandatory reported in tax return.

#### **5. Other Challenges**

*With some Canadian individuals, businesses and communities facing particular challenges at this time, in your view, who is facing the most challenges, what are the challenges that are being faced and what specific federal actions are needed to address these challenges?*

1. Tax evasion. 2. cash deposits and bank transfers from abroad in illegal manner. 3. Cash Job while taking EI. 4. Social assistance taken by relatives here in Canada for dependents not living here.