

Standing Committee on Finance (FINA)

Pre-budget consultations 2012

Herb Pinder

Responses	
1. Economic Recovery and Growth	
<i>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?</i>	
N/A	
2. Job Creation	
<i>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?</i>	
N/A	
3. Demographic Change	
<i>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?</i>	
N/A	
4. Productivity	
<i>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?</i>	
N/A	
5. Other Challenges	
<i>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?</i>	
In response to question 5, the greatest challenge to my business has nothing to do with the previous four questions. As American born, I am being attacked by the IRS notwithstanding that I have never lived, worked, earned income, or owned assets in the US. What is desperately needed is further support from the Government of Canada. Our small investment management business comprises three and a third people. The requirements of this initiative have significantly disrupted the work lives of two of us and reduced our productivity. Both my CFO and I are spending inordinate amounts of time to comply with the ridiculous disclosure for 8 years retroactively of both bank and brokerage accounts from which	

the IRS confiscates a portion and adds interest and penalties. Providing the data for tax advisors to prepare retroactive tax returns for 8 years is also onerous. And, the cost to date, including the high cost of internal time, is now approaching \$200,000 of payments to advisors in the US and Canada. More insidious, however, is the anticipated expectation that the IRS will require myself, as Canadian as anyone else, to pay a significant sum of my retirement funds to satisfy these never previously enforced and now retroactively applied conditions - nothing more than a cash grab to fund the reckless US federal government spending. With up to a million of either US born or former US residents, this is an issue worthy of budget consideration. The unfairness of this issue has been acknowledge by the American Ambassador, but to date there have only been minor adjustments to potential penalties and a lesser compliance burden for those who are unlikely to owe taxes. Therefore, by definition, those who might be required to pay significant retroactive tax are the most in need of protection. How is the movement of tax paid assets generated in Canada by Canadian citizens being confiscated by the US Treasury a good thing for Canada? A simple remedy is to make these changed enforcement requirements prospective with adequate notice similar to what is now developing with the banks.