



Yellowknife CHAMBER

Mr. Kieron Testart
Member for Kam Lake
Government of the Northwest Territories
PO BOX 1320
Yellowknife, NT
X1A 2L9

June 15, 2016

RE: Request to Reduce Corporate Tax Rates

Dear Mr. Testart,

The Yellowknife Chamber of Commerce and our membership of 315 businesses believe that the Government of the Northwest Territories should take immediate action to reduce the high cost of doing business in the territory.

Small businesses create jobs, support communities and diversify our economy – but high taxes discourage small businesses from growing and making local investments. The 'small business' corporate tax rate is 4% and applies to income earned in the NWT that qualifies for the federal small business deduction. The 'larger business' corporate tax rate is 11.5% and applies to income earned in the NWT that does not qualify for the small business deduction.

The Yellowknife Chamber of Commerce is requesting that the NWT small business tax rate be reduced to 2% and that the larger business tax rate be reduced to 10.5%. At 2%, the NWT would have the second lowest small business tax rate in Canada, tied with Saskatchewan (Manitoba has no small business tax). Decreasing the larger business tax rate by 1% would give the Northwest Territories the lowest rate in Canada.

Lowering these tax rates will help offset the high cost of doing business in the North, and will make the NWT stand out as an attractive jurisdiction for entrepreneurs and investors. Through smart tax policy, the Government of the Northwest Territories can open the way for small businesses to fuel economic growth in Yellowknife and across the territory.

A handwritten signature in black ink, appearing to read "Renee Comeau". The signature is fluid and cursive, with a long, sweeping underline.

Renee Comeau
President, Yellowknife Chamber of Commerce

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