House of Commons
Chambre des communes
Canada

House of Commons Standing Committee on Finance – Pre-budget Consultations 2013

This brief is submitted by:

(•) **an organization** **Organization name:** Mouvement des Caisses Desjardins

or

( ) **an individual** **Name:** _____

Topic: Business taxation and regulatory issues

*Recommendation 1: Please provide a short summary of your recommendation.

To promote Canada's economic growth, create and preserve jobs in our regions, mobilize development capital and stimulate savings and entrepreneurship, we are calling for the establishment of a regional and cooperative capital fund based on the CRCD model (www.capitalregional.com), currently offered in Quebec by the Mouvement Desjardins. The new fund would support small and medium-sized enterprises (SMEs) and co-ops across Canada, in addition to stimulating their growth and outreach.

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

$1 million-4.9 million

3 years

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

It would be very inexpensive for the government to implement this measure because the fund would rely on the sale of shares. The government would offer a tax credit to encourage Canadians to invest in this new fund.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

- SMEs and co-ops
- Canada's economy
- Canada's regions
- Canadian savers

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

This fund would be a simple, efficient and cost-effective way to support the growth and economic development of Canada's regions, thus benefiting the country as a whole. Investing in SMEs and co-ops contributes to the vitality and economic vibrancy of our regions, in addition to creating and preserving jobs. In addition, this new measure would encourage Canadians to save by providing them with an innovative investment vehicle offering not only tax benefits, but also potential returns over the medium term. This could help reduce household debt.

Topic: Please select from the pull-down menu

Recommendation 2: Please provide a short summary of your recommendation.

Between now and 2017, allow credit unions to take full advantage of the maximum deduction available at the close of the last fiscal year ending prior to March 21, 2013.

The Additional Deduction for Credit Unions (ADCU) was eliminated in the budget. The amount of taxable income eligible for the additional deduction is subject to limits, based on a credit union's cumulative taxable income that was taxed at the preferential rate and the amount of its deposits and member shares. Less profitable credit unions could not take full advantage of the maximum ADCU available.

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

unknown

1 year

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

It could be funded from the current additional tax revenue stemming from the elimination of the ADCU.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

This measure would benefit credit unions that were not previously able to use the maximum ADCU amount.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

Our recommendation is intended to ensure a measure of fairness for less profitable credit unions that were not previously able to take advantage of the maximum ADCU and therefore had unused deductions prior to the 2013 budget. It provides an additional window for using these amounts up by 2017. It will provide transitional relief in addition to existing measures, and act as an incentive for credit unions to increase their capitalization.

Topic: Please select from the pull-down menu

Recommendation 3: Please provide a short summary of your recommendation.

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

Please select from the drop down menu

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Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

Please use this page if you wish to provide more explanation about your recommendation(s).

*Please note that at least one recommendation must be provided