



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

This brief is submitted by:

an organization

Canadian Advanced Technology Alliance

Organization name: (CATAAlliance), Russ Roberts, Sr. VP

or

an individual

Name: _____

Topic: Business taxation and regulatory issues

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

The government should rebalance the tax regime to better promote the exploitation of Canadian innovations here in Canada - not offshore. An Innovation Box is urgently needed. A major concern of decades of science policy reviews is that the rewards of our innovations are not effectively accrued at home. The Innovation Box should focus on promoting the full range of transformational intellectual property, not just patents. Leading, independent tax and business leaders should be commissioned to develop the parameters for an effective framework.

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 billion or more

5 or more 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.

An effectively designed Canadian Innovation Box should be a net revenue generator for both federal and provincial governments, because of the high value jobs that would be generated, retained, and attracted. The Innovation Box is complementary to the SR&ED program, because it would encourage the growth of the associated businesses in Canada. Initial costs should be offset by the recent significant administrative tightening of the SR&ED program by the CRA and by recent legislative changes to the program. We believe the SR&ED savings could well be in excess of a \$ 1 billion annually.

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

An effective, broadly focused Innovation Box regime would benefit all sectors of the economy and regions where transformational pressures and opportunities exist by encouraging and rewarding entrepreneurial efforts and growth here in Canada.

Canadians are innovators and the implementation of an effective Innovation Box would allow the country to maximize their creativity at home.

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.

By growing and keeping the benefits of Canadian innovations in our own country, increased high value, dynamic employment would be created at home. Graduates of our colleges and universities would have the opportunity to apply their education, and ongoing experience and expertise to the fullest to benefit the Canadian economy. As well, designed correctly, an Innovation Box would provide the opportunity to reverse decades of the impacts of imbalanced tax science policy on individual and corporate investment strategy.

Topic: Please select from the pull-down menu

Recommendation 2: 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

Please select from the drop down menu