

CGA-Canada, together with its 71,000 members and students, represents the future of the accounting profession. The CGA designation is built on a strong foundation of ethics, education, examination and experience. The CGA standards for competence meet and exceed international standards. CGA-Canada contributes to public policy discussions and enjoys a leadership role at the national and international level advocating for the public interest.

TAX SIMPLIFICATION MAKES SENSE!

- CGA-Canada applauds the significant steps taken to reduce the tax burden on individual taxpayers and businesses. Personal and corporate income taxes must remain on a downward track so that Canada's rates are internationally competitive.
- Despite this progress, Canada's tax system still remains overly complex and cumbersome – it is labour-intensive, costly to administer, full of red tape and clutter, as well as difficult to understand.
- Fundamental changes to Canada's tax system are imperative.
- While additional tax cuts may not be feasible right now in view of the country's tight fiscal situation, simplifying the tax system would be of tremendous benefit to Canadian taxpayers and cost the government next to nothing.
- Tax simplification means increased compliance rates and lower compliance costs for taxpayers, less paperwork for businesses and lower administrative costs for government. It means a stronger system with a more secure tax base and predictable revenue.
- Tax simplification is good for the economy.
- Harmonize provincial sales taxes with the federal goods and services tax;
- Extend the use of "simplified methods" under the *Income Tax Act* and *Excise Tax Act*;
- Identify areas ripe for reform, or rules which are irrelevant or out of date, and consider streamlining or even removing these unnecessary provisions in Canada's tax legislation;
- Manage the paper and administrative burden so that any new regulatory requirement is followed by subtracting one outdated or irrelevant rule.

A simple, transparent and fair tax system with low, internationally competitive tax rates is integral to economic recovery and growth in Canada.

See CGA-Canada's Pre-Budget Submission to the House of Commons Standing Committee on Finance at <http://www.cga-canada.org>.

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CGA-Canada recommends that the Government of Canada take immediate and necessary steps to *simplify* Canada's tax legislation and the tax system.

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The best way to implement tax simplification is to:

- Appoint an expert panel to review the tax system, with a mandate to simplify Canada's tax legislation;