



Submission for the Tax Planning Using Private Corporations Consultations

October 2, 2017

Who we are:

Canada's naturopathic doctors are primary care providers and experts in natural medicine. Naturopathic doctors (NDs) focus on health promotion and disease prevention by treating the whole person – they look at the overall health of a patient, rather than solely addressing symptoms. The philosophy of naturopathic medicine includes stimulating the healing power of the body and treating the underlying or root cause of disease. Naturopathic doctors work with Canadians, offering valuable knowledge and resources to achieve successful outcomes for their patients and alleviating the growing pressures on Canada's overburdened healthcare system. In most cases, these patients make the choice to proactively invest in their health, paying out of pocket for naturopathic services.

How we are impacted:

There are 2,400 naturopathic doctors across Canada who are committed to improving the overall health of our community by focusing on health promotion and disease prevention. As NDs, we are proud to contribute to local and national economies. Like all independent business owners, however, we are seriously concerned about the government's proposed tax changes for private corporations.

While we appreciate that the proposed changes are intended to ensure our tax system does not unfairly benefit the wealthiest Canadians and commend the government's commitment to help support and grow the middle class, we are increasingly concerned about how these proposed changes will negatively impact our small businesses and our families.

For years, NDs have used tax planning strategies, including a passive investment portfolio, to offset the costs associated with running our own practices. Unlike many salaried Canadians or even our own employees for whom we purchase benefit packages, we do not have a pension or a drug and dental plan, nor do we get paid vacation or sick days. These are all expenses that we must personally shoulder in addition to the costs inherent in running any small business. Tax planning strategies like passive investment portfolios help manage financial disadvantages in a way that is affordable for NDs and our families, and that allows us to save for the future when we are no longer practicing. They also allow us to invest in our hardworking employees and ensure that they enjoy the benefits provided to other salaried Canadians. Our intention is not to cheat the tax system, but rather to provide for ourselves, our families and our employees.

In light of the unintended consequences of the proposed changes, the Canadian Association of Naturopathic Doctors echoes the concerns of small business owners across the country – the majority of whom are proud members of the middle class – and urges you to carefully reconsider this issue.



How you can help:

The CAND has followed the consultation process closely and appreciates that the Minister of Finance has demonstrated a willingness to address some of the concerns raised by small business owners. We hope that the department will specifically acknowledge the need for small businesses to build passive investment to account for the uncertainties associated with operating a business. While we respect that the government is concerned that businesses may sit on profits rather than reinvest them, the CAND proposes the government allow some passive income to continue to be taxed at a lower rate and include provisions or exceptions that will help ensure that this tax planning mechanism is not abused.

About the Canadian Association of Naturopathic Doctors:

Incorporated in 1955, the CAND is a not-for profit national association representing regulated (or in unregulated jurisdictions, those who meet the criteria for regulation) Naturopathic Doctors across Canada. Membership with the CAND is voluntary. Currently the CAND represents 85% of the 2400 NDs practicing in Canada.

For further information please contact Ms. Shawn O'Reilly, Executive Director at 416.496.8633 or soreilly@cand.ca