



**CANADIAN FEDERATION
OF INDEPENDENT BUSINESS**

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Federal small business tax changes on income splitting and passive investments

CFIB member survey results on federal tax
changes

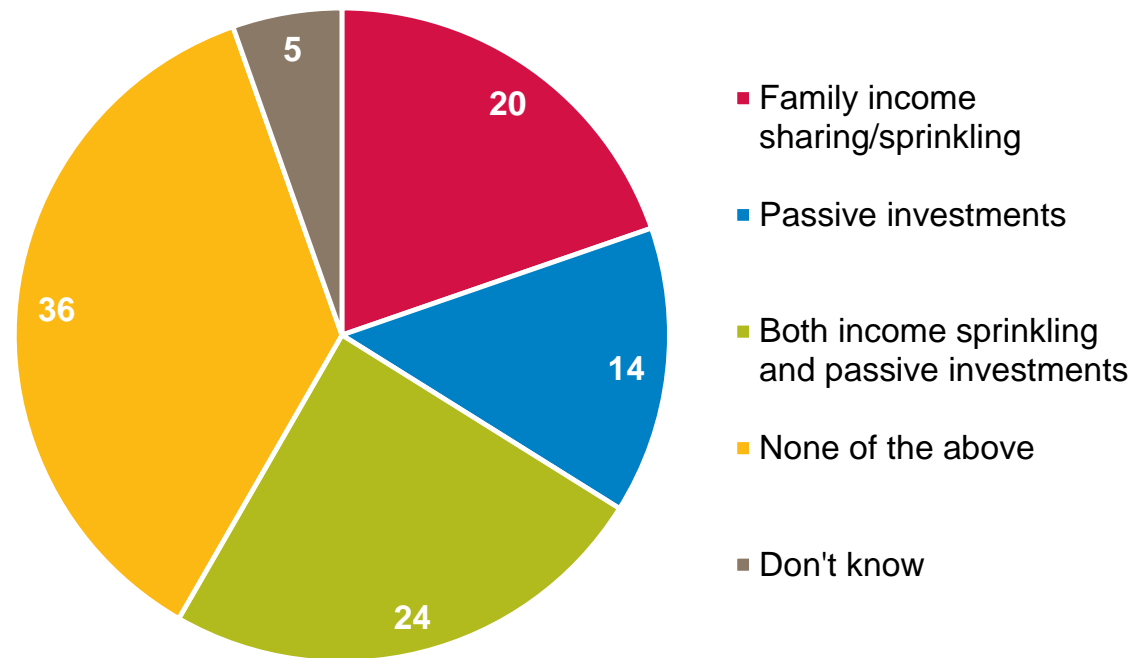
February 2018

Which of the following tax planning tools does your business use? *(Select one answer only)*

(% response)

38% of business owners have some form of passive investments

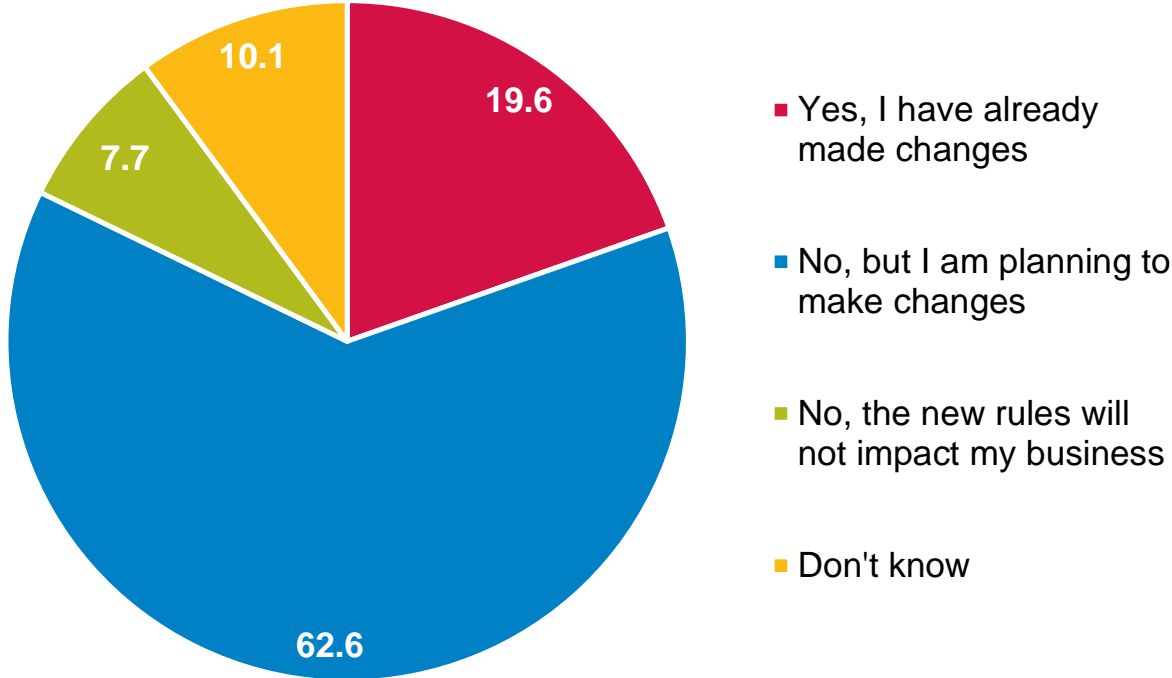
44% split income with their family members



Source: CFIB Survey on Federal Tax Proposals, February 20 – 27, 2018, based on 3,530 responses

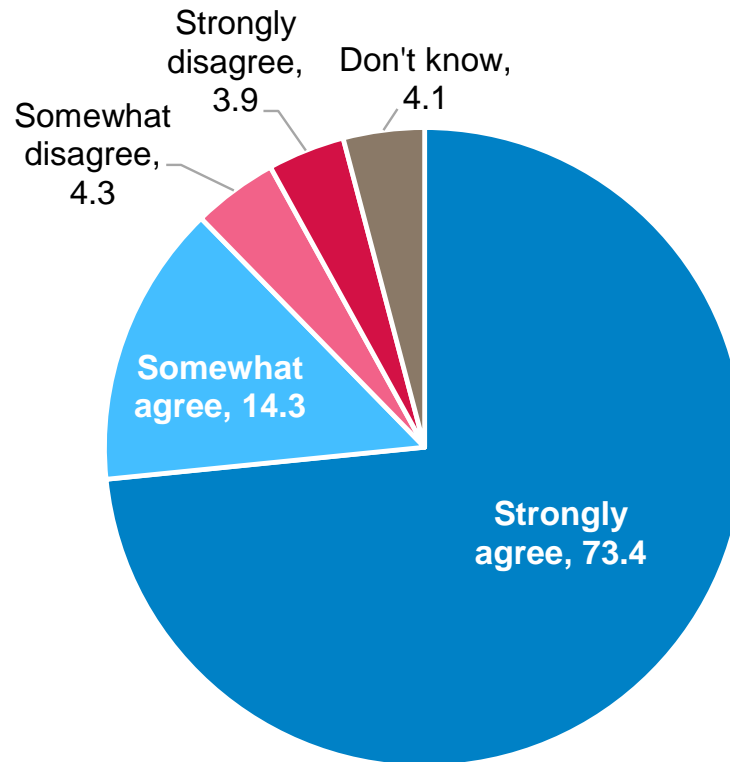
Has your business made any changes to account for these new rules on family income sprinkling?

(Select one answer only) (% among current users of income sprinkling tools)



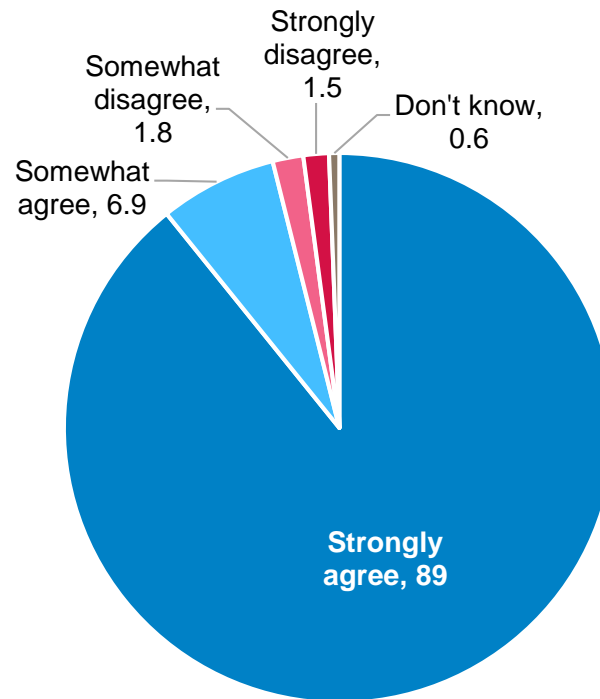
Source: CFIB Survey on Federal Tax Proposals, February 20 – 27, 2018, based on 1,507 responses

My business will face more red tape as a result of proving to CRA that my family member(s) work(s) in the business *(% among current users of income sprinkling tools)*



Source: CFIB Survey on Federal Tax Proposals, February 20 – 27, 2018, based on 1,493 responses

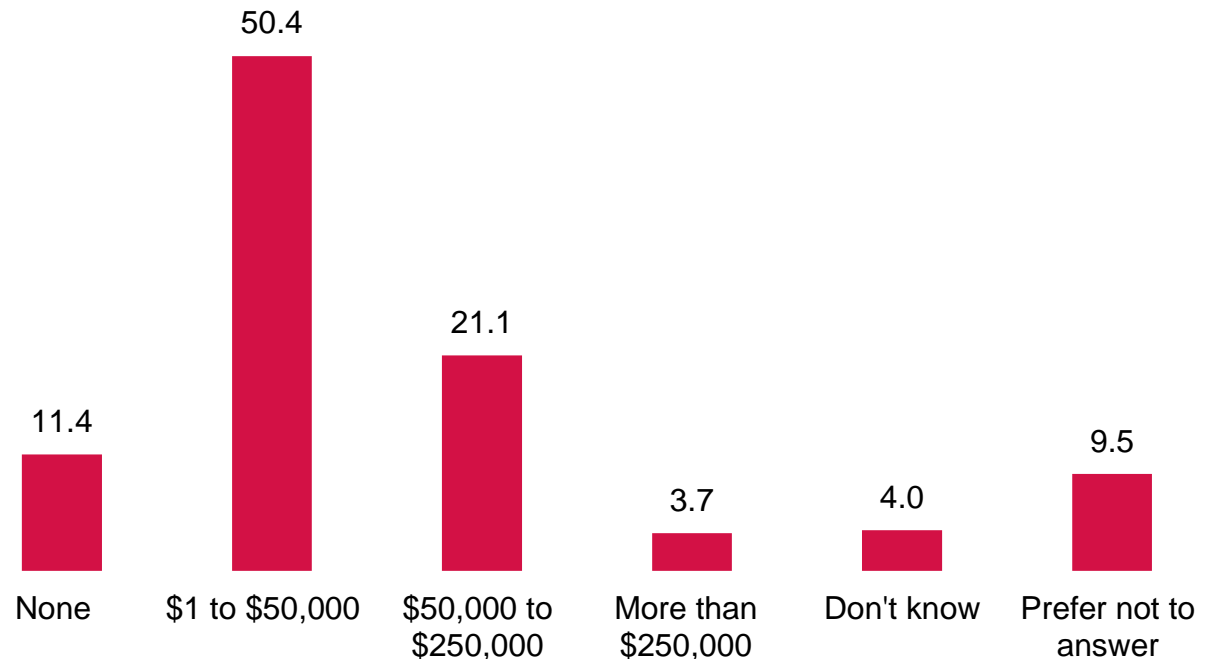
Business owners' spouses should be exempted from the new family income sprinkling rules *(% among current users of income sprinkling tools)*



Source: CFIB Survey on Federal Tax Proposals, February 20 – 27, 2018, based on 1,500 responses

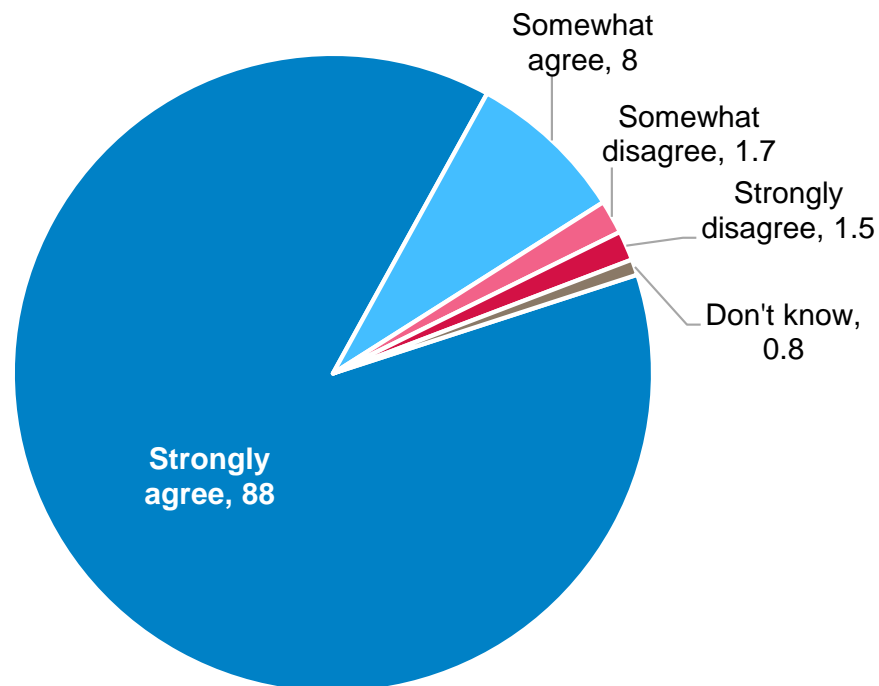
In the past year, how much income was derived from passive investments in your business? *(Select one answer only) (% response)*

Nearly 25% of those with passive investments may be affected by new rules



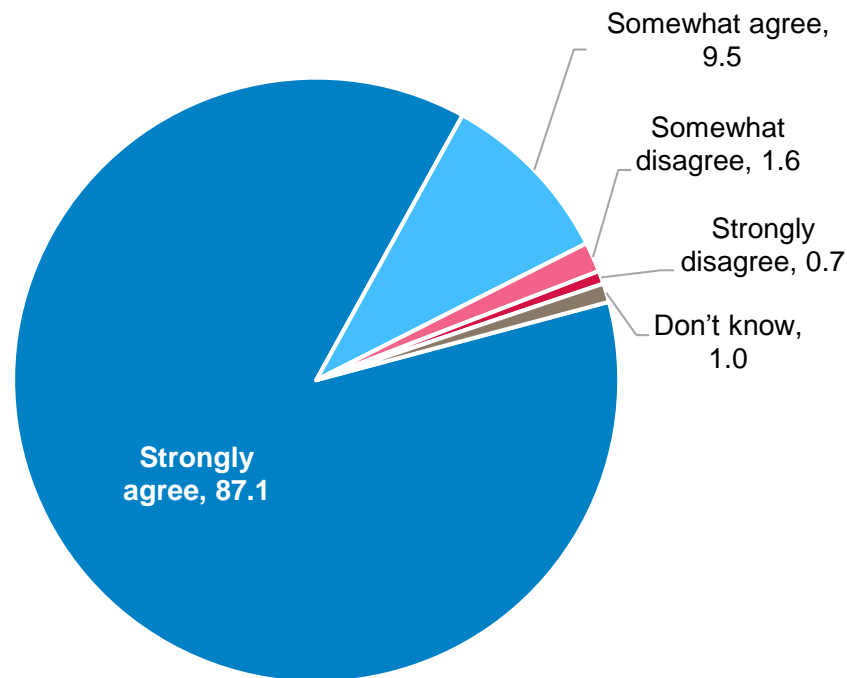
Source: CFIB Survey on Federal Tax Proposals, February 20 – 27, 2018, based on 1,310 responses

The gov't should not move forward with any changes to the tax treatment of passive investment income (% among current users of passive investment tools)



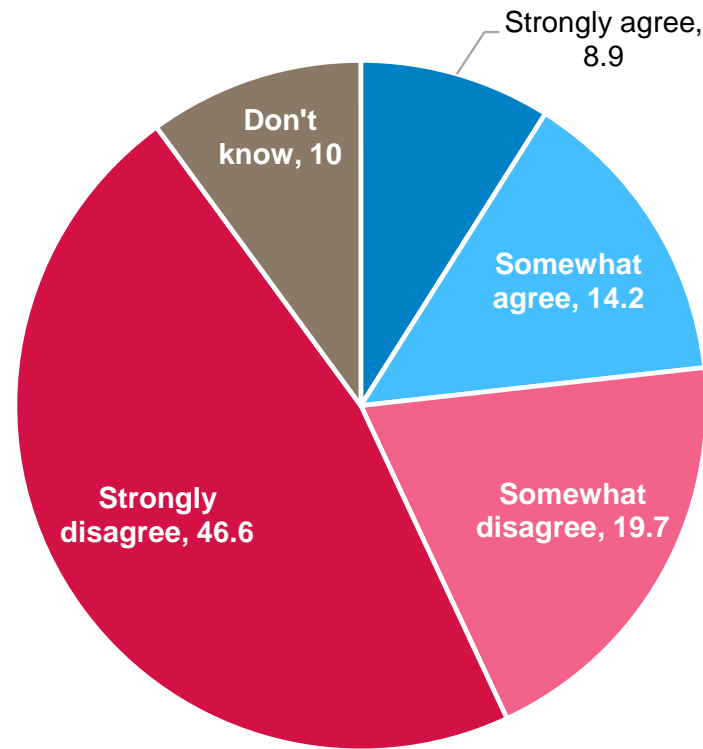
Source: CFIB Survey on Federal Tax Proposals, February 20 – 27, 2018, based on 1,292 responses

Changes to the tax treatment of passive investment income will make it harder to keep savings to grow my business or in case of a downturn (*% among current users of passive investment tools*)



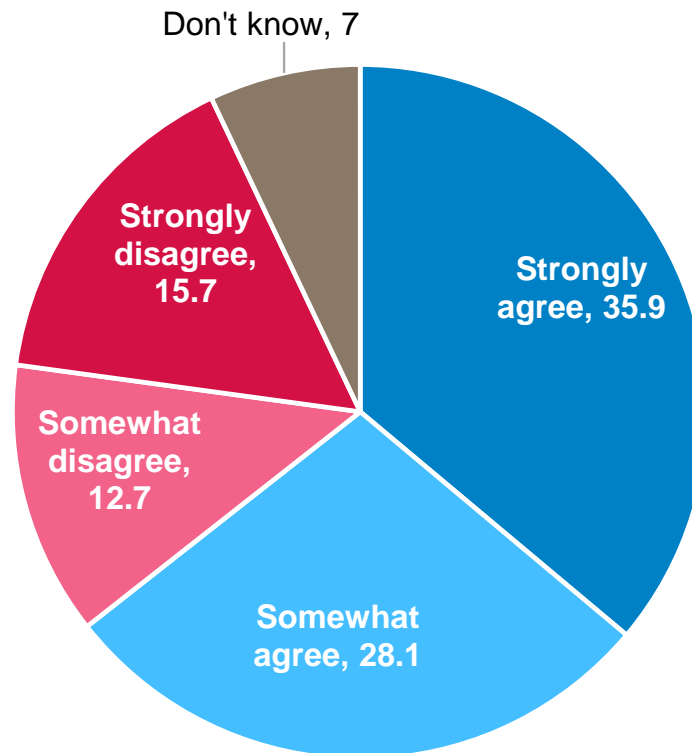
Source: CFIB Survey on Federal Tax Proposals, February 20 – 27, 2018, based on 1,290 responses

The gov't decision to restore its promise to lower the small business corporate tax rate to 9% compensates for the changes to income sprinkling and passive investments (*% response*)



Source: CFIB Survey on Federal Tax Proposals, February 20 – 27, 2018, based on 2,056 responses

Have the planned tax changes caused you to rethink whether you wish to continue to be in business in Canada? (% response)



Source: CFIB Survey on Federal Tax Proposals, February 20 – 27, 2018, based on 2,048 responses

Methodology

These results were pulled from a survey that received a total of 4,014 responses from small business owners located in Canada. The responses are statistically accurate within +/- 1.55 percentage points, 19 times out of 20. These survey results were collected between February 20 and 27, 2018.