

## News Release

# **B.C. credit unions support BC Chamber's recommendation for fair taxation to build thriving small businesses and communities**

**For immediate release**

VANCOUVER, B.C., July 25, 2017—It benefits communities and the businesses that serve them when credit unions are taxed fairly. Central 1 Credit Union (Central 1), along with the BC Chamber of Commerce (BC Chamber), are pursuing fair tax treatment for credit unions in the province. Central 1 and its B.C. member credit unions support the recommendations of the BC Chamber for a Competitive Tax Environment for Credit Unions in its [2017-2018 Policy & Positions Manual](#) issued last week.

In 2014, the province planned to phase out the small business tax rate on credit unions and increase it incrementally over five years, beginning in 2016. In January 2017, the government deferred the planned tax increase for one year, pending further consultation. The previous lower tax rate was put in place in recognition of the fact that credit unions, as B.C.'s cooperatively-owned financial sector, are in a unique position to reinvest capital back into the provincial economy and support initiatives in local communities. Leaders of the current government have previously recognized the importance of credit unions to B.C.'s prosperity.

"On behalf of B.C. credit unions, we seek continued consultation with the B.C. government to restore the small business tax treatment for credit unions to continue to support local communities," says Marilyn Mauritz, Interim President & Chief Executive Officer at Central 1. "Credit unions have a key role in the financial services industry in this province, especially in underserved communities."

Without changes, Central 1 estimates a tax increase of more than \$26 million annually after tax credit phase out – money that could be better spent investing in businesses and individuals and supporting local non-profit organizations.

"B.C.'s Chambers and Boards of Trade recognize the integral role credit unions play in supporting local economic development, particularly in communities where they are the sole financial institution," says Val Litwin, President and CEO of the BC Chamber of Commerce. "Extending the small business tax benefit for credit unions will send a strong message to rural and northern communities that their voices are being heard."

British Columbia's 42 credit unions operate in every corner of the province and provide financing for homeowners and businesses in excess of \$56 billion.

"In many B.C. communities, we provide vital services to small businesses, such as access to capital, local advice and competitive products and services that help them grow and thrive," adds Launi Skinner, CEO of First West Credit Union. "Fair taxation allows credit unions like First West to continue supporting small businesses and help grow local economies."

## About Central 1

With offices in Vancouver, Mississauga and Toronto, Central 1 holds on balance sheet approximately \$18 billion in assets. We provide wholesale financial products, trust services, payment processing solutions and digital banking services to almost 300 credit unions and institutional clients from coast to coast.

In addition, Central 1 is the primary liquidity manager, payments provider and trade association for our 42 member credit unions in B.C. and 71 Ontario member credit unions. Our members represent a consumer-oriented, full-service retail financial system that collectively serves 3.3 million members and holds more than \$118.8 billion in assets. For more information, visit [central1.com](http://central1.com).

## About BC Chamber of Commerce

The BC Chamber is the province's largest and most broadly-based business organization driving insights to its partners, government and Chamber network. With 36,000 members hailing from every nook and cranny of the province, the BC Chamber knows what's on BC's mind.

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